App. F. IX-4

1929 : 30

File No. 57-29

Serial Nos. 1-17

Previous References

Gen 20-28 (1-2)
" 20-28 (3-4)

Later References

Gen 28-39
" 21-35 (1-3)
" 21-35 (1-4,6)
" 91-37
" 91-37 (3-4)
" 30-49-3-4.

Finance. - 11/3/43

General and Revenue Secretariat.

83

erial Nos. Serials

Part B for Mysore

SUBJECT.

Renewal of the Grant of lease to Mysore Chromite Ltd over Perumasamudra block in Narasikere taluk.

2723
29 33.

App. F. III—2]

General and Revenue Secretariat. Geol File No. 5-7 of 1929.

Serial No.	
1	From the Geol: Manager Mysore Chromite Co Letter dt 22-9-28 to the Chief Secy. Forwards a copy of letter addressed to the Dir. of Geol. re the matter of export of Chrome ore from the Penganuda area block by the Company.
2	From — do — Letter dt 28.9.29 States that this interview with the Dir. of Geol. had not the desired effect and requests that the restrictions imposed on them by that officer work as a hardship and they may be granted facilities afforded to them. Minute's minute on Serial-1. "He has seen me, and I have asked him to explain the position to the Dir. of Geol". (Sd) M.N.K 23.9.29 (Sd) N.R 24.9.29 Secy's note on Sl.(2). "Read. from the Oakley on

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

2773
2933

App. F. III—2]

General and Revenue Secretariat. Gen 2 File No. 57 of 1929.

Serial No.

28.9.29.

3) References please"

(DD) N.R

28.9.29

4) Addl. vide Govt. 20-28 (88/-24 3-4). The original conditions imposed on the grant at the time of renewal of the lease are contained in Sl. 2.

4/10/29

5) The point at issue is whether in renewing the mining lease No 156 granted to the Mysore Chromite Ltd. over the Tensamudra block for a further period of 10 years from 26.4.29, Govt. have the right to impose the restriction which the Director of Geology now seeks to do, viz., that no one below 45% should be exported for sale. Apart from the reasons given by the Director for his view, the question has to be decided chiefly from its legal aspect.

6) In his letter of 27.7.28 (Flag Y) Govt. sanctioned the renewal of the lease subject only to two new conditions, on the recommendation of the Director himself, viz (1) that the lessees should instal a concentra-

NOTE—Contn. sheet.

Serial No.

plant in the State within two years from the date of the renewal and to start concentration of the ore won from the block

(2) that they should pay royalty at the rate of Re 1/8 per ton on the ore removed.

7) These conditions were accepted by the Lessees who say that on the strength of this understanding they have already entered into forward contracts for the sale of ore.

8) The Director now attempts to read into the first of the conditions mentioned above the alleged intention of Govt: that all the ore won from the block should be sent to the Concentration plant. The contention of the Firm is that the clause in question admits of no such interpretation & that this new intention of Govt: was not till now communicated to them either expressly or impliedly. They propose sending only the unsaleable low grade ore to the Concentration plant & not that for which there is a ready market in its natural state. There seems to be much force in their arguments. However, a report may first be called for from the Director

Letter P. 201 dated 19/10/29 from Mr. G.S. Oakley re the removal of the lease 3

Secy to

9) I have discussed this case with the 1st Member 11/5

Cec 11.11.29

1st Member

24-10-29

10) Please see D.O. to Dir - Mines 24/10/29

OF THE FINANCE COUNCIL
24 OCT. 1929
No. 3413

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29.

General and Revenue Secretariat. Gen File No. 57 of 1929

Serial No.

11) Mr C Ramaswamy Aiyar, Adv., Mysore came and put news on behalf of Mr Oakley. He said that his client would bind himself to erect a concentration plant within 2 years after delivery of the lease (the lease has not yet been signed by the Dewan), and not to sell without concentration thereafter ore which falls below 40% in Cr. content He is agreeable to 40% being fixed as the line of demarcation bet. high & low grade for purposes of concentration.

12) He says that till the concentration plant is put up, he should be permitted to sell all the marketable ore he has won.

1st Member

WDS
25 10 29
Cen
25/X

13) Vide letter to Dir of Geology Yesterday. Mr Oakley may be informed that his letter has been read and that orders of Govt have been issued to Dir for Comm to him

Mrd
26 10 29

14) to Dft and sgd

WDS
28 10 29
Cen
28/X

RECDE.
26 OCT. 1929
No. D4282

Letter No D 4275 dated 26/10/29 to the Director of Geology directing that the loan to be drawn up might clearly specify certain conditions (vide letter for details) 4

Letter d. 25.10.29 from Mr. G. B. Oakley accepting the conditions mentioned above. 5

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

5)

15) In letter no D4275/Geo 57-29-4 dated 24.10.29 of the Dir of Geo., the following alteration has been made under the 1st Member's orders:

In term one -

"within two years from the date of renewal of the lease"

has been substituted for

"within two years from the date of issue of the lease"

16) This correction may be taken made in the office of ft

30 10 29

Mud 30.10.29

GEN. & REV. DEPARTMENT

17) Attended to.
MV. 1.11.29.

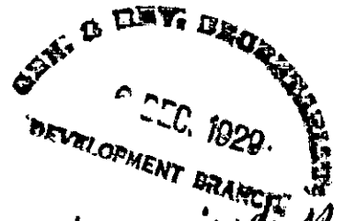
G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

Please put up file
re renewal
re Oakley Bowden's
mining lease over
Pensamiento Block
near Arankere.

WR
6/12/29



The file required is put up
herewith.
WR.
6.12.29.

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Serial No.	
	18 Draft subd MR. 28.10.29. 19/Oct. for approval [In this letter of 26 x 29 Mr Oakley says it is agreeable not to export ores containing less than 40% of Cr_2O_3 but in our letter to which the 40% age is placed at 42] -ray 29 Cir 29. x. 29 21) Issue 29 x 29 Cir 30/x
6	To Mr. C.B Oakley No. 4447 dated the 6th Nov 29 states that orders have been already issued in the matter to the Director of Geology
7	Letter No 2281-35 dated the 5th Dec 1929 from the Director of Geology forwarding the letter from the Chrome Chemicals Ltd expressing their opinions on the Special conditions offered for the renewal of the mining lease, and ~~giving~~ requesting orders on the observations made by them on the opinions expressed by the Committee I Member's orders on the PWD 21) " Old lease to be obtained from the Director. The legal points raised to be referred to L. R. for opinion.

WD 01684—GPB—30,000—20-4-29

3629
4871

7)

App. F. III—2]

General and Revenue Secretariat — Geol — File No. 57 of 1929

Serial No.	
	22) In view of the position taken up by Oakley Bowden in his letter the Director to be asked to prohibit them from moving any more ore from the Block.
	Sent to M.N.K 6/12/29
	23) Draft to day — Sent to N. A. 6/12/29
	24) Opl. for approval
	Keys) Cer 6.12.29
	1st Member
	25) Appd by Member 7/12/29
	26) Issue & re-submit file
	7/12/29
	Cer 7/12
8	To The Director of Geology No D 6264 dated 7th Dec 1929 Request him to forward the old lease together with the application for the renewal and state that, in view of the position taken up by the Company, they may be ~~[illegible]~~ prohibited from removing any more ore from the block till they have obtained a renewed licence over the block
	Resubmitted as directed
	~~[illegible]~~ 7/12/29

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

App. F. III—2]

General and Revenue Secretariat | Govt File No. 57 of 1929

Serial No.

Points on which legal opinion is required :-

(1) The Mysore Chromite Ltd. held a Prospecting License over the Pansamudra Block which was current till 26. 4. 1919. On the expiry of this period they were granted a Mining lease over the Block for a period of 10 years from 26.4.1919. This lease, however, terminated on 26. 4. 1929. The Company, however, contend that the period of 10 years should commence from 22. 6. 1921, the date on which the lease was signed by the Dewan & not from the date of termination of the Prospecting Licence (vide para 10, page 9, of their letter). They base their contention on the wording of Rule 44 (Reg A) which states that the applicant's title to the land will not be complete until the lease has been actually executed by the Dewan. They further state that on this interpretation of the rule, three mining leases for Chrome granted to certain other parties over blocks in the Chennarayapatna Taluk in 1922 were made to count from the date of the Dewan's signature, tho' this occurred a number of years after the expiry of the P.L. under which they were claimed, & that the then Director of Geology had also promised to consider favourably the extension of this principle to their case before the termination of the original period. They, therefore, request that under S. 31 of the Specific Relief Act, which provides for rectification of instruments where

Note :—Contn. Sheet

WD 066—GPB—30,000—26-7-29

App. F. III—2]

General and Revenue Secretariat | Govt File No. 57 of 1929

Serial No.

the mutual mistake of parties is clearly proved, the date in the original lease No. 156 granted to them may be altered from 26.4.1919 to 22.6.1921.

The Director of Geology is against making this alteration on the precedents cited.

The point for opinion, therefore, is whether the contention of the Company is correct & whether any action would lie against Govt: if they refused to accede to the claim.

(2) The Company contends that under Clause 51(50?) of their original lease (Flag B), read with Rule 35 (see Flags opposite Flag A) they are entitled to a renewal of the lease "under the rules that may be in force at the time of each renewal". In their letter dt 23.12.1927 (Flag C) the Company asked for a renewal of this lease for a further period of 10 years from 26.4.1929. This was granted by Govt: in their letter dt 27.7.28 on certain conditions (Flag J.) which were accepted by the Company. They now claim that they are entitled to get the renewal without any special conditions which the Govt: now seek to impose (vide Flag D). They are prepared to accept some of these conditions & not others. Have Govt: any right to insist on their accepting these conditions before granting a renewal of the lease? The Director thinks they are, for in Clause 50 of the lease, referred to

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

App. F. III—2]

General and Revenue Secretariat | Gost File No. 57 of 1929.

Serial No.

above, Govt. have reserved to themselves the right of prescribing "covenants, agreements & conditions" at the time of renewal, & that under clause 51 they may refuse to grant renewal.
Secy 9)

Cer
10.12.29

(which Mr Oakley showed me

I had a look at the Co's lease and I believe it is expressly stated in it that the lease is to run ~~on~~ for 10 years from 26.4.1919. Moreover, the Co. in their application for renewal have specifically asked for a renewal for 10 years from 26.4.1929 - admitting that their former lease expired on that date. I think they cannot now go back on that statement. The copy of the lease called for from the Dir. may be awaited

C

I believe Mr Oakley admitted that this contention was untenable (during his interview with the Member. He admitted it to me)

In regard to the contention that the Co is entitled, ~~to~~ a renewal as a matter of course, and that Govt have no power to impose new conditions — this is altogether untenable in view of condition 50 of the lease. The contention is also repugnant to commonsense, for it would mean that a lease once granted is to be renewed and continued in perpetuity. It will be seen from the application of the Co. for renewal that "Co-operation with Govt in Chromite Concentration" and the "unimediate

B

Note—Contn. Sheet

Serial No.

erection of Chrome concentration plant" were prominently urged as reasons (or inducements) for granting renewal. But for the desire to see expts. carried on in concentration, Govt would probably not have thought of renewing the lease at all, since their policy is to conserve chrome and not allow its exploitation. If it is not for the Co. now to contend that this condition (or any condition for the matter of that) shd not be included by Govt in the renewed lease & be pressed by them.

The next contention relates to the line of demarcation between ore which can be sold without concentration, and ore which is not permitted to be sold, except after concentration. Govt have fixed the line at 42% of chrome content, and prescribed that all ore falling below this standard should be sent to the Concentration plants for treatment before it can be sold. The Chromite Co — in language of calculated offensiveness — calls this "most unnecessary, unfair, and unreasonable" and says that they shd be free to sell all "marketable" ore, and required to concentrate only "unmarketable"

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

Serial No.

ore. They are opposed to a line being drawn on a percentage basis at all.

This contention is absurd; and in their own letter dated 25th. 10. 1929 (signed by their counsel also) they have proposed to fix the line on a percentage basis — viz 40%. Moreover, (depend on price,) "marketable" and "unmarketable" are also too indefinite as a basis for discrimination; because the highest grade ore may be unmarketable during slack seasons, and low grade ore may be readily marketable as road metal.

The next contention seems to have rather more of reason behind it. It is that they should not be required to work the plant continuously when the circumstances render it impossible to continue work without an assured loss. I think we may say that it will be open to Govt for sufficient cause shown, to allow an intermission of work for such periods as they may deem proper.

So also in regard to the condition that failure to set up a plant within 2 years shall ipso facto cancel the lease. The possible harshness of this may be tempered by

Note—Contn. Sheet

WD 066—GPB—80,000—26-7-29

General and Revenue Secretariat | Govt. File No. 57 of 1920

Serial No.

providing that if it shall be proved to the satisfaction of Govt that the lessees have done all in their power to fulfil the condition, but have, through no fault of their own, been unable to do so, such extension of time may be allowed as Govt shall think fit consider necessary

The other contentions are mere wrangling, and deserve no consideration.

1st Member
Through L R

W R
12? 11 29
Ca
12/12

The lease deed or copy thereof may be sent by camel to the Mukim

D M
13/12
Ca
14/12

Draft letter with Comps

Draft letter with Comps

D M
13/12
Ca
14/12

Draft letter with Comps

M C
12/12/29
W M
12

The L. R.'s expectation in the last para of his note has been realised There is nothing more to do in the matter The bandobast may be filed

1st Member

W R
3 2 30
Ca
4/2

W R
6 2 30 Ca 4

M C
5/2/30

Items rec'd copy of the above sent separately

L R W R
13 12 29

(05138)

GEN. & REV. SECRETARIAT
3 FEB 30
DEVELOPMENT BRANCH

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

5137

14

App. F. III—2]

General and Revenue Secretariat. | Yest. File No. 57 of 1929.

Serial No.	
11	To the Director of Geology. No. D.6969 d. 20.12.29. States that Mr. Oakley has agreed to waive his objection to the conditions of renewal of the leases that he was asked to make his representations to him in the matter.

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

5857

App. F. III—2] 18

General and Revenue Secretariat. Geol. File No. 57 of 1929.

Serial No. 12

From the Director of Geology. D.O. No. G.873 d. 10.1.30. States that Mr. G. B. Oakley who represents the Cheppara Chromite Ld., has agreed to all the stipulations made to him in regard to the renewal of the Pensamudra Mining Lease and recommends that the period of two years granted to him to instal the Chrome Concentration Plant may be extended by six months to enable him the Company to instal the plant in question as our restrictions on the renewal of ours have prevented him from working the plant within the prescribed period of two years.

Dir. Geol's remarks on the letter d. 10.1.30:—
"may be sanctioned."
1st Member's orders d. 11.1.30:——
"I agree."

29, 31.1 to 11.

The previous X file re: expiring of renewal of lease of Pensamudra Chromite Block ~~that time~~ was sent to the Legal Remembrancer for favor of opinion on 19th December 1929. It is for orders whether he may now be reminded in the matter of its early return since we have received this D.O. from the Director. A draft as per orders is however put up and filed marked "A" for approval or other orders.

MR. 16.1.30.

X Issue a also reminder L.R. 16.1.30

Reminded the personal clerk. MR.

NOTE—Contn. sheet.

The file has since been received back & ordered to be filed. MR. 16.2.30.

WD 066—GPB—80,000—26-7-29

5857
7518

App. F. III—2] 16

General and Revenue Secretariat. Govt. File No. 57 of 192 9.

Serial No.	
13	To the Director of Geology. No. D. 8014 d. 17.1.30. Conveys the approval of Govt to the extension of time by six months to the Mysore Chromite Ltd for the installation of the Chrome Concentration plant in addition to the two years granted to them from 26th April 1929.
14	From the Dams officer. No. 2281-56 d. 3.3.30. States that in pursuance of Govt orders a lease has been drawn up and got duly stamped and executed by the party and requests that the document may be got signed by the Diwan Saheb on behalf of Govt (in 3 places on pages 7 & 8 & on the plan) and returned to him for issue after inserting the date of the lease. Submitted for orders with previous papers. MR. 5.3.30. Secy D 5.3.30
5/3	Please scrutinise it with refce to the orders laying down the conditions of renewal, & see if they have been incorporated. 5 3 30 6/3

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

7518

169

App. F. III—2]

General and Revenue Secretariat. Yoot. File No. 57 of 1929.

Serial No.

Linked file.

DEWAN'S OFFICE. 31 MAR. 1930 No. 3867

Linked with previous papers. The conditions contained in the new lease deed have been scrutinised with those imposed by Govt and the two are identical.

Submitted for orders.

NAV.
6.3.30.

Where are the conditions laid down by Govt.
Ch 7/3

Reference is invited to this office letter of 20th December 1929 in the linked file (flag D) and also to the letters issued by this office on 28th July 1928 and 13th May 1929 (flags 4 & 7).
Kind attention is invited to the Dewan's note on pages 10 to 12 of the notes.
NAV.
7.3.30.

The lease deed seems to be all right. I have also verified it Ch 7.3.30
Keys)

7/3

Submitted for favour of Signature
Dewan)

10 3 30
Ch 11/3

11-3-30

12 3 30
Ch 12/3

n. sheet.

7518

App. F. III—2]

General and Revenue Secretariat — Genl. File No. 57 of 1929

Serial No.	
	Draft returning the lease deed signed by the Dewan to the Director is herewith put up. The Director has stated in his letter that the date of the lease shall be the date on which it is signed by the Dewan and that it may be inserted, "the date "11.3.30" on which the Dewan has initialled in the office note" in token of his signature.
page 16 A	initialled before his signatures in the lease.
	Submitted for orders.
	MN.
	14.3.30.
	Opn. for approval
	A. This may be done
15/3	Sd
	Issue & subl to Govt
	for sign
	16/3/30
	Ce 17/3
15	To the Director of Geology. No. D. 10923 d. 18.3.30. Returns the lease deed sent to above with the Dewan's signature affixed thereto.
	Draft issued and file resubmitted for submission to 1st Member.
	MN.
	19.3.30. For perusal
5618	(sd. illegible)
	20/3/30 Ce 20/3/30
	21/3/30 Ce 21/3

Note—Contn. Sheet

WD 066—GPB—30,000—26-7-29

7518
8111

18

App. F. III—2]

General and Revenue Secretariat | Yest File No. 51 of 1929

Serial No.

16 From the Director of Geology. No. 2281-58 d. 20.3.30. Returns the lease deed relating to the Pensamudra Mining Block sent to him and requests that the Dewan's signature may be got attested and the seal of Govt affixed and the document sent back to him early for issue.

DEWAN'S OFFICE
25. MAR. 1930
No. 1600

The previous lease is put up for perusal.
The file may be sent to the Private Secy to the Dewan for kind and needful action and return.

MR. [illegible]
24.3.30.

Flag T

24/3/30

The file has been returned by the Dewan's office after getting the Dewan's signature attested by the P.Y.D. and affixing the Dewan's seal thereto.

Sent with draft to the Director.

MR. [illegible]
26.3.30.

For perusal before issue

[illegible]

17 To The Director of Geology
No. D 1085 dated 29/3/30

28/3 Issued 28/3

Returns the document duly attested and the seal affixed

B [illegible]

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

General & Revenue Secretariat. | Geol File No. 57 of 1929

Serial No.

Reference:- The Geology Director's letter dated 11th December 1929.

3455/12/12

The gist of Mr. Oakley's interview with us yesterday may be communicated to the Director. I do not understand why the Director thinks that there is delay on our part in deciding this matter. We have ~~informed~~ instructed him to reimpose the embargo on the removal of ore and so far as Government are concerned, this action closes the matter. It is up to ~~the~~ Oakley Bowden & Company to accept the terms offered to them and ask for a fresh lease ~~license in respect of further renewal of lease being taken.~~ The Director might also be informed that Mr. Oakley has been instructed to submit to him whatever representations he desires to make in respect of ~~the~~ terms offered for the renewal of the lease.

MER 12 12 29

12/12/29

Mr Oakley, after a good deal of discussion agreed to waive his objections (so far as I could make out) (1) to the date from which a renewal is to run (2) to the % age fixed for demarcation between high grade & low grade ore (3) to the time within which the flotation Concentration plant was to be installed (4) to the conditions

NOTE -- Contn. sheet

WD 580—GPB—300—27-8-29.

5137

29

App. F. III—2]

General and Revenue Secretariat. | File No. | of 192

Serial No.

that the plant shd be run continuously
He alg stipulated that in case he was
unable to fulfil conditions (3) & (4) in
spite of his best & all reasonable exertions
endeavours on his part
& efforts, Govt might grant him some
relaxation in the way of an extension
of time, or permission to keep operations
in abeyance if the plant could not be
worked except at an assured loss.

Mr Oakley was told to make his
representations to the Dir

If the above is approd, draft as
containing the gist of Mr Oakleys
interview, it will be communicated
to the Dir

1st Member

14 12 29

3538

I agree Mug
15/12/29

Draft please

16.12.29

Draft submd.
MR.
17.12.29.

Opn. for approval

Sign'd

18/12

Mr
18.12.29

Done

18/12/29

NOTE—Contn. sheet.

WD 066—GPB—30,000—26-7-29

O P I N I O N.

---

1. I have carefully examined the correspondence in the file and find that Mr. Oakley has not ~~been~~ taken any definite position with regard to the matters in dispute. He has done his best in putting forward all sorts of contentions without any regard either to their consistency or their maintainability.

2. In his application for renewal dated 23rd December 1927, he expressly prays for renewal from 26th April 1929, thus clearly admitting that the old lease commenced from 26th April 1919 and not from ~~the date of~~ 22nd June 1921 when the document was actually executed by the Dewan. This claim he puts forward for the first time in his letter of the 23rd November 1929 and bases it on the ground of a mutual mistake in mentioning 26th April 1919 as the date of commencement of the old lease. This contention is so ~~ex~~ frivolous on the face of it that it has to be summarily rejected. Rule 44 relied on by him has no bearing on the question at issue and there is absolutely no case for the application of the equitable remedy of rectification under Section 31 of the Specific Relief Act.,

3. Again Mr. Oakley in his letter of the 21st September 1929 to the Director, a copy of which was sent to the First

Member also, relied strongly on a ~~contemplated~~ completed contract regarding the renewal of the lease, the proposal of the Director in his letter of 1st September 1928 having been unconditionally accepted by the Company in their letter of 3rd September 1928. In para 13 of his letter of 21st September 1929. Mr. Oakley even went to the length of threatening the Government with a suit for damages for breach of this contract. His whole conduct as well as the several letters written by him afterwards show how this contention of a completed contract is untenable. If there had already been a contract on 3-9-1928 from which rights and liabilities accrued to the parties, how is it that Mr. Oakley in his letter of the 25th October 1929, which is countersigned by his counsel Mr Narasimhiah, mentions certain proposals to be "the outcome of the interview" granted by the Development Secretary to Advocate Mr. Narasimhiah. The correspondence all through, especially the letter of 23rd November 1929, clearly shows that there have been proposals and counterproposals and that there has never been a time at which the parties have agreed completely as to the several terms of the new lease. In para 10 of his letter of 23rd November 1929 Mr. Oakley states as follows:--

> "There yet remains for settlement one more question of outstanding importance relating to the date from which the renewed license is to be ~~xxxxx~~ counted."

This shows that there has been no settlement and this attitude is quite inconsistent with his previous letter claiming rights vested in him

arising out of the ~~xxxxx~~ completed contract of 3rd September 1928.

4. The conduct of Mr. Oakley comes out in all its colours in his letter of the ~~25~~ 25th October 1929. That very day his counsel Mr. Narasimhia had an interview with the ~~Xxxxx~~ Development Secretary, whose note (para 11 supra) indicates the points discussed. Mr. Oakley, however tries to make out that the "outcome of the interview was the five proposals mentioned in his letter, all of which he is pleased to accept." On the face of it this appears to be nothing but a bluff. The Development Secretary's letter of 26th October 1929 to the Director of Geology shows the four conditions that the Government proposed to impose and these, on comparison, are in many respects quite different from those mentioned in Mr. Oakley's letter of 25th October 1929. It is significant that Mr. Oakley's letter of 23rd November 1929 contains no reference to the proposals said to have been the outcome of the interview of 25th October 1929.

5. In the letter of 23rd November 1929, the company puts forward another contention viz., that they are as a matter of course, entitled to have the lease renewed "with the ordinary terms that may be in force at the time". This claim is based on Clause 50 of the lease read with rule 35 of the Mining lease rules.

6. Rule 35 mentions of a right to

renewal "the renewal in each case being under the rules that may be in force at the time of each renewal." Clause 50 of the lease which is prescribed in virtue of rule 35, imposes on the lessors a liability "to execute and deliver to the lessee" on his fulfilling certain conditions mentioned therein., "a renewed lease of the said premises for a further term of ten years in such form and subject to such royalty and other payments and such covenants, agreements and conditions as the lessors may prescribe."

7. It is really strange how in the face of this clause, the lessee can maintain that the lessors have no right to impose fresh conditions in the renewed lease. It is an established principle of law that "the tenant can only ask for such a lease as the landlord covenanted to grant." A lease with three guarantors of the rent ~~xixi~~ contained an option for a lease for a further term, such lease to contain clauses so far as possible identical with the terms hereof "including the covenant by the three named guarantors for payment of the rent." one of the guarantors having died, it was held that the right of renewal was lost (Hothies Stores vs Timuris 1921 2 Ch. 202).

It therefore follows that Government as lessors can impose under clause 50 fresh conditions and if the lessees do not accept ~~the~~ them, they cannot get the renewal of the lease, and the lessors can dispose of the premises as

they think best.

8. There is nothing in the records sent, to show whether the lessess have performed and observed up to the expiration of the term granted the several covenants and agreements contained in the old lease. This is a condition precedent to the right of renewal and the court regards its slightest infraction as sufficient to prevent the lessee from enforcing it. In the words of Lord Loughborough, the covenants must be, "punctually, exactly, and literally performed and which cannot be dispensed with because there is a proviso added in the lease entitling the lessor to recover damages for breach of any of the covenants. Again, there may be waiver of forfeiture, but that does not necessarily imply waiver of the condition precedent entitling the lessee to put in force the clause for renewal. The principle is that the right of renewal is in the nature of a privilege to which the tenant may lay a claim only when he has strictly fulfilled the covenants and conditions of the lease all through the term. (Vide Gour's Transfer of Property Act 5th Edition Vol.III page 2046).

If therefore the Company has failed at any time during the ten years preceeding 26th April 1929, to perform or observe any of the covenants mentioned in the lease, then they cannot be entitled to any renewal at all.

9. In any circumstance, the company's

contentions are all untenable and any action against Government that they threaten to take is mere bluff. It is almost certain, considering the way in which they have yielded point after point, that the lessees will agree to all the terms imposed if the Government stand firm.

P Mahadevaiyer
Legal Remembrancer. 1.2.20

Gac 57-29-1

MYSORE CHROMITE LIMITED.

REGISTERED OFFICE:
SINDUVALLI MINES, KADAKOLA (MYSORE RYS.)

MANAGING AGENTS:
OAKLEY, BOWDEN & CO.

TELEPHONE No. 2082.

TELEGRAPHIC ADDRESS:
"WAREHOUSE," MADRAS.

CODES { BENTLEY'S PERFECT PHRASE. / A. B. C. 5TH EDITION. / DO. 6TH DO. / UNIVERSAL TRADE. / PRIVATE.

Oakleyfram City Station
Dy. Bangalore
~~15, ARMENIAN STREET,~~
Bangalore, ~~MADRAS,~~ 22nd September 1929.
POST BOX No. 67.

GEN. & REV. SECRETARIAT
2773
25 SEP. 1929
DEVELOPMENT BRANCH.

Dewan Bahadur M. N. Krishna Rao, B.A.,
First Councillor and Member in charge
of the Geological Portfolio,
Government of Mysore,
B a n g a l o r e.

S i r,

I have the honour to forward herewith a copy of a letter we are addressing to the Director of the Geological Department, and as the matter is somewhat urgent, I will wait upon you tomorrow between 12 and 1 o clock to ascertain if it would be convenient for you to see me then or at any other time at your convenience.

Thanking you in anticipation for the favour of an interview in connection with this subject,

I have the honour to remain,

S i r,

Your most obedient servant,

C. S. Oakley

General Manager,
Mysore Chromite Limited

2

MYSORE CHROMITE LIMITED.

REGISTERED OFFICE:
SINDUVALLI MINES, KADAKOLA (MYSORE RYS.)

MANAGING AGENTS:
OAKLEY, BOWDEN & CO.

TELEPHONE NO. 2082.

TELEGRAPHIC ADDRESS:
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PRIVATE.

15, ARMENIAN STREET,
MADRAS, 21st September, 1929.
POST BOX NO. 67.

Copy

Ref 1795

The Director,

Mysore Geological Department,

Bangalore.

S i r,

We have the honour to acknowledge the receipt of your letter No.2281-26, dated the 26th of August 1929, regarding the terms of the grant to us of the renewal lease of the Pensamudra Chrome Mining Block in the Arsikere Taluk, and to state, in reply thereto, as follows:-

2. We find that your letter raises some vital issues which tend to strike at the very root of our chrome mining business and in order, therefore, to present the whole question in its proper perspective and to clear away some misconceptions, it has become necessary for us to recapitulate it at some length.

3. You state - in your above letter - that "in consenting to the renewal of mining lease No.156 it was originally never the intention of Government to allow the old procedure to continue, viz, the sale of the ores obtained as such or as admixtures with ores from other areas. They wanted the company

to send all the ore raised from the block to the concentration plant to be erected." But the fact that the Government had such intention originally, or that they intended to prohibit the removal of any ore from the block except to the concentration plant, was never communicated to us either expressly or impliedly. It is apparently a new stipulation set up only subsequently in your recent letter No.2281-23, dated 16th July 1929, and is far in excess of the two special conditions originally proposed in your letter No.2281-5, dated 4th August 1928, and accepted by us in our letter, dated 7th August 1929. Those two conditions were, (1) that we should instal a Chromite Concentration plant within two years from the date of the renewal of the lease and start concentration of the ore won from the block, and (2) that the royalty on chrome ore should be paid to Government at the rate of Rs 1/8/0 per ton of the ore removed from the block.

4. The mere fact that the first of these conditions required that our company should instal a concentration plant and "start concentration of the ore won from the block" can, by no stretch of imagination, be taken to convey the idea that no ore was to be sold until the concentration plant was installed or except as a concentrated product, or that all the ore won from the block should be concentrated, irrespective of its being of saleable grade or otherwise. This view has been fully endorsed by our solicitors also and we have no reason to doubt that the Government Advocate in Mysore will, if consulted, uphold

the same. The absence of the word "all" in your sentence "to start concentration of the ore won" is significant as distinct indication that all the ore won was not intended be concentrated, but only such ore as needed concentratior the purpose of making it marketable. If the former were t intention, the expression ought to have been "to start cor tion of all the ore won." The block in question being one in an area which has been pronounced by your own Departmer yield only low grade ore -42% Cr_2O_3 and under - (vide Bull No.7, page 110), a lease of it with a condition absolutely restraining the export of the ore which is of a readily s able grade would practically be a nullity to us for at le period of two years until the concentration plant is inst: Such a condition could never be acceptable to us.

5. The installation of a concentration plant is a measure which, as you are aware, we ourselves had had under contemplation for some time and which we had also recognized as essential for effectively dealing with such ore as we cannot readily find a market for. It will be noticed that in view of the failure of the late Mysore Chromium Co., who, after considerable expendi ture, gave up the concentration project as not feasible, and the fact that large supplies of easily mined high grade ore are obtainable from several fields in other parts of the world, the problem of concentrating low grade ores has been pronounced (by Dr. Smeeth and yourself) to be a doubtful proposition (vide Bulletin No.7, pages 111-113). The fact cannot also b

ignored that competition from chrome producers in other countries is becoming more formidable from day to day, and the latest information given in the Iron & Coal Trades Review of 24th May 1929, page 789 is to the effect that the South African Chrome mines will wipe out all other chrome producing areas in the world. In spite of these adverse factors which had led to our hesitation so far, we are now anxious to do some pioneering work in the State of Mysore by way of concentration of the unsaleable grade of ore in the firm belief that we will be afforded all possible facilities and encouragement by the Government as is their practise with all agricultural and industrial pioneers. We therefore readily agreed to the condition proposed by the Government that we should instal a concentration plant within two years. But we have to submit that it would be obviously most uneconomical and unbusinesslike to concentrate, at a heavy expenditure, any ore for which there is a ready market.

6. With regard to the second condition specified in your letter of the 4th August 1928, referred to above, viz. that royalty should be paid to the Government at the rate of Rs 1/8/0 per ton of the ore removed from the block, we explained in our letter of the 7th August 1928, that in the case of those grades of ore which are absolutely unsaleable otherwise than by treatment, it would be necessary to remove 3 or 5 tons of such lump ore to get one ton of the concentrated ore and we requested therefore that the royalty should be leviable on the ore "exported" irrespective of its condition - i.e., concentrated

concentrated or unconcentrated - and not on the ore "removed" from the block. It is quite manifest from this request that the concentration plant was only intended to be used for the treatment of only such grades of ore as are absolutely unsaleable without being concentrated. In your letter of the 1st Sept. 1928. you communicated to us the pleasure of Government to modify the condition relating to royalty as follows:-

> "Royalty on ore removed from the mining block and certified to have been sent to the concentrating plant for purposes of concentration will not be charged; but on the concentrated product of that ore, irrespective of the grade, a royalty of Rs 1/8/0 per ton will be charged immediately the concentrate leaves the factory. On all other ore quantities raised (either in lumps or in powder - generally of a high grade character), for purposes of direct export as such without being sent to the concentration plant, a Royalty of Rs 1/8/0 per ton will be levied immediately on removal from the block irrespective of their sale or railment according to existing rules."

The modified condition was accepted by us in our letter of the 3rd Sept. 1928.

7. In the form of the renewed mining lease since received with your letter No.2281-25, dated 9th August 1929, for stamping and execution by us, we were surprised to find an abrupt introduction of an addition of the words "ores analysing over 45" after the words "generally of a high grade character" in Schedule C. This addition, you state in your letter of 26th August 1929, now under reply, is not a new addition but a mere explanation of the term "generally of a high grade character" which is already in the Schedule. Whether it is an addition or an explanation, the fact remains that it has been newly

introduced and the question is whether the explanation, as you take it, is fair and reasonable and also such as would not prejudice our rights and interests. In proposing the limit of 45% Cr_2O_3 for the high grade character, you rely upon the contract letters of Messrs. W.R. Grace & Co. wherein they definie High Grade lump chrome ore of whatever blend as "ore running 45 to 48%, with right of rejection if below 45% Cr_2O_3." But the fact cannot be denied that the particular purposes for which they need the ore are so few and of such a nature that they find no use for ore below 45% Cr_2O_3. There are doubtless a large variety of other purposes for which ore below 45% has been found suitable and some instances of such purpose will be found below. To take the statements and requirements of a single individual or firm using the chrome ore for only a few particular purposes would be apparently incorrect, misleading and unfair, and we therefore find it by no means easy to follow your reasoning. What ore can be readily marketed without concentration and what ore cannot, are the main factors to be ascertained for a reasonable determination and definition as to whether the character of the grade of ore is high or low. The question as to the classification of Chrome Ore as of high grade or low grade character is indisputably one which is not of an inflexible nature and which varies considerably according to the different uses for which the ore is used and also sources of supply. The undermentioned details in regard to the different uses the various grades of the ore obtained from our mines have

been applied by our buyers will serve to clearly illustrate the different grades considered to be high enough for the different purposes and any ore which falls short of the grade needed for any specific purpose is apparently regarded as of low grade for that purpose, though at the same time it may be of a sufficiently high or even of a higher grade for another different purpose.

Uses:-

For manufacture of Bichromate ore required 50%, rejection 48% Cr_2O_3.

For Ferro-Chrome, 48% Cr_2O_3 and according to latest advices as low as 42% provided the silica and iron contents are very low.

For Refractory and Furnace linings as low as 37% provided silica contents is low.

8. The distinction between the high grade and the low grade character of chrome ore is therefore extremely hard to define with any degree of accuracy, though an average limit may be roughly adopted purely for statistical purposes on a consideration of the several needs of the every day fluctuating market. But for purposes of concentration with which we are now directly concerned, it is most essential that only such ore as cannot be readily sold without being concentrated should be classed as ore of a low grade character.

9. A reasonable definition of the term "high grade character" in this context would therefore include all ore

that can be marketed without concentration and we request that the words "or generally marketable without concentration or other treatment" may be kindly substituted for the words "ores analysing 45%" proposed by you. The whole phrase in Schedule C appended to the renewed lease would then read " - generally of a high grade character or generally marketable without concentration or other treatment."

10. In your letter No.2282-23 dated 26th July 1929, you stage - "Specifically it has been said that all low grade ore raised from the block should go to the concentration plant." We are quite at a loss to find any communication from you wherein such a specific statement has been made. Nevertheless, we are ever willing to send for treatment by the concentration plant all the ore which we cannot find a sale for without such concentration - such ore as can be sold directly without being concentrated being classed as of high grade and the rest as of low grade.

11. Again, in the same letter of the 26th July 1929 and also in the subsequent one of the 26th August 1929 (No.2281-26) under reply, you ask us not to remove any ore below 45% from the mining block for purposes of sale? This restraint is apparently illegal and unfair. Clause 4 of the lease grants us the liberty "to remove, sell and dispose of the specified minerals found or raised on or in the mining block or the intermediate or finished products obtained or prepared therefrom" and the mineral specified in Schedule B appended to the lease is

"Chrome Ore". Neither the said clause nor the said schedule has been modified in the renewed lease as it ought to have been done if any sort of restriction or limitation in regard to the export of the chrome ore by the lessees had been proposed by Government and agreed to by us. Schedule C appended to the lease merely specified the royalties payable on the ore both in its crude and concentrated conditions. It is quite clear therefore that it is not at all within the rights of the Government to impose any restriction on the export of ore by us and we are perfectly at liberty to export such ore as we have a market for.

12. Apart from the illegality of the proposed restraint in regard to the export of ore for purposes of sale, it is indisputably unfair and unreasonable to insist that even the ore which has a ready market should be subjected to concentration process, the main object of concentrating the ore being to make it a marketable product. The restraint would only create a dead-lock to all our business until the installation of the concentration plant and subject us to heavy and irretrievable losses. In fact, it would be against all sound principles of economic mining. It would serve no other object than to completely fetter our hands in our business. What virtue there really is to commend it is very hard to see. On the other hand, it is clearly manifest that, instead of any benefit accruing to Government, the revenue interests of the Government would be materially affected in so far as they would be getting a royalty

of Rs 1-8-0 per ton of the concentrated product against thrice that amount obtainable on say three tons of crude ore to be used for that ton of the concentrated product - in other words Government would be deprived of a royalty of Rs 3/- in respect of every sum of Rs 1/8/0 realised per ton of the concentrated product. As we are exporting 700tons a month which means Rs 1050/- revenue to Government, if that ore were below 45% it would mean Government losing Rs 1050/- monthly.

13. We have already informed you in our previous letters that on the conclusion of the agreement between the Mysore Government and ourselves for the grant of the renewed lease on the special conditions communicated in your letter of the 1st Sept., 1928 and accepted by us in our letter of the 3rd idem, we have entered into forward contracts for sale of 6000 tons involving shipment of ore below 45% Cr_2O_3, won from this block. The suspension of the removal of ore enjoined on us in your letter of the 26th July 1929 and 26th August 1929, would not only entail serious loss to us but might also result in heavy claims being made against us by our buyers for damages for breach of contract and we, in turn, would have to look to you for any such loss. We shall be greatly obliged to you, therefore, if you will kindly remove the restraint to avoid such bitter consequences. In view of our regard and esteem for your Department and the confidence we have that our rightful claims will be duly recognized and conceded by the Government, we do not enlarge upon this aspect of the matter.

14. With regard to the blending of the ore of the Pensamudra Block with the ores of Sinduvalli and other blocks, we quite recognize the necessity and importance of treating each mining block as an independent unit and as a matter of fact we have actually been dealing with each block separately so far as the extraction, export and sale of the ore is concerned and separate registers are being maintained in respect of each mine. It is only at port that the blending is done and it is largely because of the facility we possess to blend the ores that we were enabled to sell the low grade ores from certain blocks. The transactions relating to the extraction, export and sale of the ore including the payment of royalty to Government are kept separately for each block and no infringement whatever is made of any of the conditions of our leases. In this connection we would mention we have expressions of satisfaction from our buyers at the result of such blendings.

15. In conclusion, we hope that the Government will duly recognize that under clauses 3 & 4 of the mining lease we have the liberty to export and sell all the ore raised from the block and to treat by concentrating plant the unsaleable grade of ore so as to convert it into a saleable product.

16. It has always been the earnest desire and the assured policy of our company to readily follow the sound advice and dictates of the Government of His Highness the Maharaja of Mysore in all matters which concern the welfare of the mining industry and we trust that we shall not be misunderstood merely because of our present contentions (in regard to the restraint

against the export of the saleable grade of chrome ore) made on reasonable grounds and in the best interests of not only ourselves but also of those of the Government. Our company has spent considerable sums of money, done a lot of exploration work and developed the block which had been condemned and given up before as "not a payable mine" and, more than all, succeeded in its endeavours to find a market for the hitherto unsaleable grade of ore and contributed a fair addition to the State revenues by way of rent, royalty etc. amounting to over Rs 23,000/- besides finding employment for a large number of subjects of the State. We sincerely hope that our efforts in this direction will receive due recognition at the hands of the Government and that every just and reasonable facility and encouragement will be afforded to us for the advancement of our interests in the mining business.

17. We shall be glad to return the form of the renewed mining lease, received with your letter No.2281-25, dated 9th August 1929, duly stamped and executed by us, as soon as we receive the approval of Government to the alternative explanation of the terms "generally of a high grade character" in Schedule C appended thereto, as proposed by us in para 9 supra of this letter.

18. We shall be greatly obliged to you for favour of early orders.

We beg to remain,
S i r,
Your most obedient servants,
Per Pro. OAKLEY, BOWDEN & CO.
Managing Agents,
MYSORE CHROMITE LTD.

GR.

Geol 57-29-

MYSORE CHROMITE LIMITED.

REGISTERED OFFICE:
SINDUVALLI MINES, KADAKOLA (MYSORE RYS.)

13

MANAGING AGENTS:
OAKLEY, BOWDEN & CO.
TELEPHONE NO. 2082.
TELEGRAPHIC ADDRESS:
"WAREHOUSE," MADRAS.
CODES { BENTLEY'S PERFECT PHRASE. A. B. C. 5TH EDITION. DO. 6TH DO. UNIVERSAL TRADE. PRIVATE.

Rd from Mr Oakley on 28 9 29
Refer please
VK
Cr 2879

15, ARMENIAN STREET,
Bangalore, MADRAS, 28th September 1929.
POST BOX No. 67.

GEN. & DEV. SECRETARIAT
2933
28 SEP.
DEVELOPMENT BRANCH

The Development Secretary
to the Government of His Highness
the Maharaja of Mysore,
Bangalore.

Dear Sir,

I was graciously accorded an interview by the Member in charge of the Geological Portfolio on the 23rd instant regarding the restraint imposed by the Director, Geological Department against the export of Chrome ore from the Pensarudra block when I learned that you dealt with this matter on behalf of Government. In pursuance of the Member's advice, I saw Mr. Sampat Iyengar the same day and discussed the whole question with him at some length. He seems rather intransigent and is not prepared to recile from the position he has once taken up. He still persists in his view that no ore below 45% should be exported for sale which is tantamount to stopping all export and the pleas he mentioned in support of that view are 1. that the export of even the saleable ore would militate against the necessary large supplies of ore required for the concentration plant, and 2. that as long as we can

export ore we would not attempt to concentrate.

With regard to the first of these pleas, we find it extremely difficult to follow Mr. Sampat Iyengar's reasoning. Mr. Sampat Iyengar has evidently been acting under a misapprehension as to the capacity of the mining block in respect of the quantities of high and low grade ores obtainable from the block. As the result of our working the block for several years in the past we have found that the quantity of ore of a readily saleable grade available in the block forms but a negligible fraction of the quantities of ore available for the plant and there is adequate unsaleable low grade ore which can feed the plant for a number of years.

Further, the main object of concentration being to make the ore marketable, it would obviously be a waste of money to incur expenses in concentrating any ore for which there is already a market. Why Mr. Sampat Iyengar insists on even saleable ore below 45% Cr_2O_3 being subjected to concentration while he is prepared to allow ore of 45% Cr_2O_3 and above to be exported without the concentration is extremely unintelligible. The reasons which warrant the export of the latter grade of ore apply with equal force even to ore of the lower grade as long as it is readily marketable. We can if desired produce satisfactory evidence from expert authorities in England and elsewhere in rebuttal of the Director's opinion that it would

be detrimental to the interests of the concentration scheme to export in a crude state any ore for which there is a ready market. May we at the same time request the Government to obtain independent opinions in the matter from the Chief Inspector of Mines in Mysore and the Secretary, Kolar Gold Field Mining Board in consequence of the conflict of opinion between the Director and ourselves?

With regard to the second plea, viz., that the installation of the concentration plant would be delayed if such export were prohibited, we have already explained we have ourselves been more eager than the Government to start the concentration treatment with all possible speed. The bulk of the material for the installation of the plant has already been purchased by us and is now lying warehoused in the Kolar Gold Fields. We have also received tenders for the rest of the plant, the erection of necessary buildings, etc. Will commence as soon as the renewed mining lease to which we are entitled under the provisions of Clause 50 of our original mining lease and of Rule 35 of the Rules under which it was granted.

In the course of the interviews the theory was advanced that the Government could impose any condition they liked in the renewal lease and that they had even the right to refuse renewal. There can be no gainsaying the fact that Government have the -

(16)

prerogative to prescribe the terms in regard to royalty and other payments, covenants, agreements and conditions in respect of the renewed lease (these are already Rs.1/8 per ton as opposed to 6 annas per ton in British India) but it is always understood that such prerogative will not be exercised arbitrarily but with due discretion so as not to injure the interests of either party. Under Rule 35 of the Rules for the Grant of Mining Leases in force when our original lease was granted, we were entitled to obtain the renewal lease on the ordinary terms that are in force now (i.e., at the time of the renewal). It is also we believe the settled and declared policy of the Government not to impose on lessees claiming renewals of leases any extra or exceptional conditions which might tend to unduly hinder the continuance of further work.

We have explained in our letter of the 21st instant to the Director of Geology how vitally and immediately our interests are affected by the proposed restraint against the export of ore for which there is a market and how unnecessary and inexpedient it would be to spend money in concentrating such ore. We request that in view of all the circumstances explained above, you may be pleased to recommend to Government the countermand of the restraint forthwith and thereby enable us to avail ourselves of the opportunity of contributing as much capital as can be obtained by sale of the

readily marketable grade of ore for the purpose of the concentration scheme and continue our business without hindrance and execute the orders already in our books.

In conclusion, we beg to assure you that we are always ready and eager to do all that lies in our power to obey the directions of the Government in all matters connected with our mining business and are desirous that the concentration plant will be installed and the treatment of ore started with all possible speed. It will, we trust, be recognised, however, how important it is that there must be mutual understanding and unity of purpose between the Government and the lessees to secure the beneficial results aimed at by the introduction of the concentration scheme and we sincerely hope that we shall be given every encouragement and facility which would be essential for the achievement of such results.

Trusting that our representations will receive your sympathetic consideration,

We have the honour to be,
Dear Sir,
Your most obedient servants,

C S Oakley

General Manager,
Mysore Chromite Limited.

G.R.S. III—3]

Notes.

not intended for permanent record.]

Mr. C. B Oakley.

Please get together all the
refers relating to Mr C B Oakley's
Arasikere (Permanent)
Mine, report Mean up
before the evening

23 10 29

DNO 2773 / 1928
Geol 57-29
Rec'd to the Secretary on 11/10/29
the file is placed below

N B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Geol 57-29-3

MYSORE CHROMITE LIMITED

REGISTERED OFFICE:
SINDUVALLI MINES, KADAKOLA (MYSORE RYS.)

MANAGING AGENTS:
OAKLEY, BOWDEN & CO.

TELEPHONE No. 2082.

TELEGRAPHIC ADDRESS:
"WAREHOUSE," MADRAS.

CODES { BENTLEY'S PERFECT PHRASE.
A. B. C. 5TH EDITION.
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PRIVATE.

15, ARMENIAN STREET,
MADRAS, 19th October, 1929.
POST BOX No. 67.

GEN. & REV. DEPT. 3413 MYSORE DEVELOPMENT

The First Member of Council,
Government of Mysore,
B a n g a l o r e.

S i r,

With reference to previous correspondence, we shall be glad to know whether the Government have arrived at a decision as to whether the embargo placed on the movement of all ore from our Arsikere mining block, below 45% Cr203, is to be removed or is to be confirmed, as our buyers have again wired out to know whether we can enter into our - - forward contracts as originally arranged and before we can reply, this decision will be necessary to know the Government's intentions.

Might we point out an aspect of the case which has not as yet been brought to your notice, and that is that our ability to blend our Arsikere ore with Sinduvalli ore. enabled us to work the narrow reefs and veins which on their own merits alone were too expensive to work, their cost

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

C. LTD. TO First Member of Council. CONTINUATION SHEET NO. 1.

being greater than their realisations. Thus, in addition to the Rs.1050 a month lost in royalty to the State, output from portions of our Sinduvalli mines will be seriously curtailed, our trade hampered and our business generally embarassed.

We have the honour to be,

S i r,

Your most obedient servants,

C B. Dalley

General Manager,
Mysore Chromite, Ltd.

Dear Sir,

Mr. Oakley again saw me at Mysore and represented that the point in dispute had not been settled. In the meantime, he urged that his Company was being put to loss. It is necessary to reach some decision without delay. In your letter dated 18th July 1928 to Government you imposed two conditions subject to which the lease might be renewed for a further period of ten years. These are also the conditions embodied in the letter which conveyed Government sanction to your proposal. If, as appears to be the case, Mr. Oakley has complied with these conditions so far, it would not be fair to prevent his working the mine or ~~from~~ selling the ore won. I have a recollection that you told me that the lessee was permitted to dispose of only high grade ore. I do not know where this condition has been insisted upon. It is not, at any rate in your letter to Government or in the letter of Government which conveyed sanction to your proposal. In any case the question of using the ore won for concentration would arise only after the establishment of the concentration plant for which purpose a period of two years has been specifically allowed in the contract. The natural presumption is that the ore won within the period of two years could be disposed of by the lessee and not that the whole thing should be held up against the establishment of the concentration plant. Whatever the position, the case has now reached a stage in which Some compromise is necessary in the interests of both parties. What appears to me reasonable is to permit the lessee to dispose of the ore in any manner he likes ~~within~~ within the period of two years allowed to him to consider measures for concentration and to insist upon the concentration proposition being seriously undertaken after the expiry of this period. If it is necessary to fix the chrome contents limit ~~for the ore to be subjected to concentration~~ to discriminate the ore to be subjected

to concentration from that which the lessee might dispose of otherwise, we might notify this condition to the lessee and thus close the case.

Please let me hear in reply to this or if you think there is any matter to be personally discussed, please see me tomorrow at 2 p.m. in office

Yours sincerely,

(Sd.) M. N. Krishna Rao.

P. Sampat Iyengar, Esq., M.A.,
Director of Geology, Bangalore.

Copy
24/4/29.

Issue + place in file

No D 4275

Geol 57-29-4

Extract

26/10/29

P. Sampat Iyengar, Esq., M.A.,
Director of Geology in Mysore, Bangalore.

With reference to my letter No. D 11739/Geol 20-28-4 dated the 13th May 1929, conveying sanction of Government to renew the lease granted to the Mysore Chromite, Ltd., over the Pennasamudra Block in the Arsikere Taluk subject to certain conditions, I am directed to state that the lease to be granted may be drawn up clearly specifying the following terms:-

(1) That the Concentration Plant should be set up in working order within two years from the date of ~~issue~~ renewal of the lease and that failure to comply with this condition shall result ipso facto in cancellation of the lease:

(2) That till the Concentration Plant is put up in compliance with the foregoing condition, the lessees shall be at liberty to dispose of the ore won and to be won in such manner as they think fit, paying a royalty of Rs 1-8-0 per ton upon all the ore removed from the block:

(3) That after the Concentration Plant shall have been set up, the lessees shall be bound not to remove from the block, without concentration, any ore the chrome contents of which fall below 42 per cent.: and

(4) That the lessees shall be bound to work the Concentration Plant continuously during the rest of the period

23

the lease and shall keep such Plant, its working and all accounts relating to its operation always open for inspection by the Director of Geology.

I have the honour to be,

S i r,

Your most obedient servant,

26.x.29

Secretary to Government,
Development Departments.

24

MYSORE CHROMITE LIMITED

REGISTERED OFFICE:
SINDUVALLI MINES, KADAKOLA (MYSORE RYS.)

MANAGING AGENTS:
OAKLEY, BOWDEN & CO.

TELEPHONE NO. 2082.

TELEGRAPHIC ADDRESS:
"WAREHOUSE," MADRAS.

CODES { BENTLEY'S PERFECT PHRASE.
A. B. C. 5TH EDITION.
DO. 6TH DO.
UNIVERSAL TRADE.
PRIVATE.

15, ARMENIAN STREET,
MADRAS,

Geol 57-29-5

BANGALORE
25th October, 1929.

POST BOX No. 67.

Kept please
above

GEN. & REV. SECRETARIAT
3629
28 OCT. 1929.
DEVELOPMENT BRANCH.

26 10 29

The Development Secretary,
to the Government of H. H.
the Maharaja of Mysore,
B a n g a l o r e.

S i r,

With reference to the interview you were good enough to grant to our counsel Mr. C. Narasimhiah of Mysore at 12 p.m. today, we beg to thank you for the very considerate hearing you granted him. We understand that the following proposals were the outcome of the interview in question.

1. That within two years from the date of the signature of the Mining Lease by the Dewan Sahib the concentration plant should be started.

2. That should the plant not have commenced by that date, it shall be open to Government to impose a penalty at their discretion which shall be paid by the Mysore Chromite, Ltd.

3. During the aforesaid interval of 2 years, all grades of ore may be exported on payment of a royalty of Rs.1/8 a ton.

4. After two years, only ores of the grade of 40% and less to be considered low grades and to be sent to the concentration plant, leaving

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

M. C. LTD. TO Development Secretary. CONTINUATION SHEET NO. 2.

the lessee the right to export ores of 40% Cr203 and over on payment of a royalty of Rs.1/8 per ton.

5. The embargo on removal and export of ore at present subsisting and imposed by the Geological Department to be raised immediately.

We beg to state that our Company are quite willing to accept these conditions and beg to place on record their appreciation of the sympathetic and considerate treatment that the Government of H.H. the Maharaja of Mysore have extended to them and furthermore in view of the expression of confidence that these conditions contain, they will leave no stone unturned to rapidly instal and put in working order the concentration plant, we hope long before the limit placed upon them by the Government.

We have the honour to be,
S i r,
Your most obedient servants,

C. S. Mathew

General Manager,
Mysore Chromite, Limited.

To. Ramaswamy Iyer
Asst. Geologist
Chrome Company.
25-10-29.

ppendix F G—1

26

SUBJECT.....

.....

.....

Section Geol

File No. S 7-29

Serial No. 6

No. D4447

Diary No. of letter replied to. 2629

General and Revenue Secretariat

( )

the *192*

Date of issue 4/11/29

Signed by Mr C S Norvale

To

G. B. Oakley, Esq.,

General Manager, Abyssinian Chromite Ltd, No. 15, Armenian Street, Madras.

Sir,

I am directed to acknowledge the receipt of ~~With reference to~~ your letter addressed to the Hon'ble Member of Council d. 29.10.29 & 25th October 1929 regarding the renewal of the lease granted to your Company over the Perrabanadu Block in the Ansikuppam Taluk, ~~I am directed to state that your letters have been~~ duly received & that the orders of Govt. have already been issued

over

List of enclosures.....

Copied by.....

Examined by.....

WD 063—GPB—20,000—1-8-29

to the Director of Geology in the matter for being communicated to you ~~in due course~~.

I have etc.,

29 Aug

Ce
29.x.29 Vere Henry. 29 Aug 29

Geol 57-29-7

GOVERNMENT OF MYSORE

Telegraphic Address:—"GEOL." MYSORE GEOLOGICAL DEPARTMENT

No. 2281-35 Bangalore, 5th December 1929

FROM

P. SAMPAT IYENGAR, Esq., M.A.,
Director of Geology in Mysore,
at Bangalore.

DEPT. OF GEOLOGY 4871 DEVELOPMENT BRANCH

To

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Development Department.

SIR,

In forwarding herewith for perusal the letter in original to be kindly returned) of the Mysore Chromite Ltd., Madras wherein they have expressed opinions on the special conditions offered for the renewal of the Mining lease for chromite over the Pensamudra block, Arsikere Taluk, I have the honour to submit the following observations thereon for consideration and to request immediate orders of Government in the matter.

2. In Clause 50 of the Mining Lease issued to them, the Government as lessors, have reserved the right of prescribing covenants, agreements and conditions at the time of renewal of the lease. The Government are therefore within their right to impose these special conditions. It is stated that this act contravenes the Rules now in force. This is not so for Clause 50 Mining Lease Indenture Form No.6 empowers such an imposition. Hence their contention in Para 2 of letter is not tenable.

3. While it is satisfactory to note that the Company accept the condition to concentrate chrome ore in Mysore, exception has to be taken to their expression of the idea that only 'unmarketable low grade ores' should be used for purposes of concentration (Para 3 of letter). The term "unmarketable" is so elastic that it can be made to apply to any grade of ore High or Low according to the needs of the case. A particular

grade

grade of ore may find a ready market or sale when intended for a specific use or purpose; but the same ore may be found unmarketable when its applicability to other purposes are taken into considerations. Is such a grade of ore to be called "marketable" or 'unmarketable' ? To avoid disputes on this score it was thought desirable to have fixed limits and the Government therefore for purposes of concentration fixed the upper limit of 42 % Cr_2O_3 , knowing that chromite from Mysore at the present time below that percentage are not finding a sale.

4. If the Company are really in earnest as they say they are (in Para 4 of letter) " to instal and work a chrome concentration Plant in Mysore within two years from the date of renewal of the lease" then why should they object to the penal stipulation "that failure to comply with this condition shall result ipso facto in the cancellation of the Lease". ? The arguments adduced for contingencies of failure &c. are too flimsy and unconvincing. Moreover as they themselves have admitted the lessors have always reserved the right to absolutely determine a Mining lease whenever the Lessee fails to perform and observe the covenants and agreements entered into (Clause 48 in M.L.). Such being the case then why fight shy of this stipulation? Is it to find a way later on to appeal to Government for a lenient consideration and treatment when through their negligence or otherwise the Concentration Plant is not installed or not at work within the time allotted? I am of opinion that it is necessary to have this stipulation in the Indenture in order to ensure the erection and ~~and~~ working of the Plant within two years. The retention of the clause will not be superfluous.

5. The imposition of Dead Rent is for another specific purpose and has nothing to do with the stipulation discussed above.

6. As regards the opinions expressed by the Company on the third condition (in Para 7 of letter) I strongly would request Government not to give any heed to them. It is the crux of the situation. I have dwelt above on the marketable and unmarketable nature of chromite with reference to grades. Since business is

now

now being done on the rejection point of chrome ores from Mysore on the 45 % Cr_2O_3 basis, any ore below that percentage is not marketable in its own crude state unless admixtured with other very high grade ores. The object of the concentration Plant installation is to treat such unmarketable ores. I am of opinion that it will be to the interest of all concerned if low grade ores at the least below 42 % Cr_2O_3 get into the Concentration Plant. The considerations of marketability or otherwise for such ores should not enter

7. If this condition does not find a place in the agreement then under the appellation of 'Marketable' every grade of ore which the Company required for profitable blending with high grade ores raised from this or from other blocks to effect a a sale will be exploited and removed; and no attention will be paid to mine lower grades of ore. Then there will be the statement that grades unmarketable and fit for concentration do not exist. In effect, it will ~~be the~~ nullification ~~of~~ practically all the special conditions now contemplated. Therefore on no account this limit of 42 % Cr_2O_3 fixed after careful consideration should be removed.

8. By the retention of the above clause it may be possible to secure the continuous working of the Contentration Plant as well.

9. I think the Government may agree to the omission altogether of condition 4 since there are similar provisions in Clauses 11, 22 and 32 of the Mining Lease.

10. As regards the request of the Company to reconsider the date of the Lease &c., they may definitely be informed that it is not possible to do so for reasons obvious. Whatever might have been the action of the Government in the past, in the cases cited, it cannot be made applicable to the present instance. The renewal, if granted, should count from the date of the expiry of the old M.L.No.156 i.e. from the 26th April 1929 and not from any later date.

2\

//. In the event of the Company refusing to accept all the special conditions that have been proposed I beg to recommend the rejection of the grant of renewal. I believe under clause 51 of the Mining Lease this can be done. Since negotiations for this renewal has dragged on so long with terms and counter terms proposed, it might be safe to obtain legal opinion before taking any definite course of action.

/2. Soliciting very early orders in the matter as the question of the renewal of this Mining Lease has been pending for well over six months.

I have the honour to be,
Sir,
Your most obedient servant,

T. Sampat Iyengar

Director,
Mysore Geological Department.

C.N.

32

MYSORE CHROMITE LIMITED.

REGISTERED OFFICE:
SINDUVALLI MINES. KADAKOLA (MYSORE RYS.)

MANAGING AGENTS:
OAKLEY, BOWDEN & CO.

TELEPHONE No. 2082.

TELEGRAPHIC ADDRESS:
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A. B. C. 5TH EDITION.
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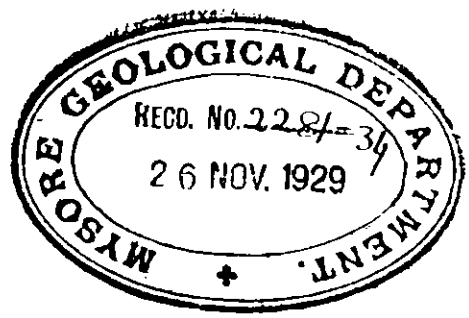
UNIVERSAL TRADE.
PRIVATE.

15, ARMENIAN STREET,
MADRAS, 23rd November, 1929
POST BOX No. 67.

Ref 2202



The Director,

Mysore Geological Department,

Bangalore.

S i r,

In continuation of our letter No.2075 of the 4th inst. regarding the special conditions proposed by the Government for the grant to us ofa renewed Mining Lease for Chrome Ore over the Pensammdra Mining Block and communicated in your letter No.2281-31 dated 1st November 1929, we have the honour to state as follows:-

2. The conditions stated in your aforesaid letter have been carefully considered by our Company from all points of view, but we regret to find that most of them bear heavily and with a most unfair and possibly prohibitive severity on us. Before proceeding to explain how they affect us, we beg leave to invite attention to the fundamental fact that our company is, as a matter of course, entitled, under Clause 51 of the original lease read with Rule 35 of the Rules under which it was granted, to a renewed lease "under the Rules that may be in force at the time of each renewal." The provisions of Rule 35, specially relating to the

lessee's right to a renewed lease under the Rules that may be in force at the time of each renewal, have, we believe, been introduced on the recommendations of the Rules Committee, and are designed to give an assurance to the lessee that the lease will be renewed under the ordinary terms that may be in force at the time and that he will not be treated differently from others or subjected to any impossible conditions. The conditions stated in your letter under reference are not contained in the Rules that are now in force, but are admittedly special ones which we presume have been proposed by the Government in furtherance of the development of the low grade Chrome Concentration industry in the State.

3. The main object which the Government have in view in proposing the special conditions is, we believe, to investigate the possibilities of concentrating the chrome ores of the Mysore State on a commercially profitable basis, or, in other words, to bring the concentration shheme from the region of surmise and speculation to a point from which it may be viewed in a strictly business light. It is needless for us to state that the idea of concentrating our chrome ore is not a new one to us. Long before it was proposed to us by the Government we had fully recognized the advisability of concentrating unmarketable low grade ore to raise to a higher marketable grade and the fact is already on the records of the Government that we ourselves had submitted our proposals in that direction to the Government as far back

as 1919 but the question could not be seriously contemplated by us until quite recently merely because of our inability to obtain certain assurances from the Government in respect of the renewal of our mining lease. We beg to assure the Government that we shall always be willing and ready to do, to the utmost in our power, everything that is fair and equitable under all the circumstances of the case.

4. Turning to the special conditions in question seriatem, we agree to condition (1) so far as it relates to the direction "that the Chromite Concentration Plant should be set up in working order within two years from the date of the renewal of the lease", and we have decided to spare no efforts towards its fulfilment. But we regret at the same time that we are unable to assent to the penal stipulation "that failure to comply with this condition shall result ipso facto in the cancellation of the lease," as it is impossible to guage at the present time what inevitable obstacles might come in the way in spite of all our strenuous endeavours to carry out the erection of the plant and to put it into operation within the aforesaid period. To strangle us in such a contingency by the cancellation of the lease, except for any wilful negligence or default on our part, would obviously be a most suicidal act and would also be in direct contravention of the broad-minded policy of His Highness' Government which characterized the recommendations of the Rules Committee referred to in para 2 supra.

5. Due provision exists already in Clause 9 of the Mining Lease for the payment by the lessee (i.e. by our Company) of a

dead rent up to a maximum of Rs 5/- per acre of the Mining area "in the event of the lessors not being satisfied with the operations conducted under the lease or with the results thereof". The penalty thus provided for would, we submit, sufficiently meet the ends of the Government, viz. to discourage laches on the part of the company in the erection of the plant. There is also another Clause No.48 in the lease which provides for the resumption of the Mining block and the determination of the lease "if there shall be a breach of any of the covenants and agreements contained in the lease." The way is thus open to the Government to resort to these provisions in the extreme case of want of diligence on the company's part in its efforts to erect and put into operation the concentration plant within the prescribed period and the additional provision in condition (1) proposed in your letter appears to be rather superfluous. In the light of these facts we beg that the penal provision in question may be kindly deleted.

6. With regard to condition (2) granting us liberty to dispose of the ore as we think fit till the concentration plant is put up, we beg to express our deep sense of gratitude to the Government for the conciliatory treatment accorded to us in this respect.

7. The third condition, viz. "that after the concentration plant shall have been set up, the lessee shall be bound not to remove from the block for direct export any ores the chrome

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contents of which fall below 42% Cr_2O_3. But such ores will have to be sent to the concentration plant for treatment" - places a most unnecessary, unfair and unreasonable restriction upon us. It is a most momentous thing for us that we should not be fettered from exporting any ore which is marketable without concentration and to be free to treat by concentration only such ore as commercial prudence and industrial economy would warrant. It would be wasteful to concentrate any ore that is marketable in its own crude state and if the Government are still not disposed to agree with us in the matter, we would respectfully urge for their kind consideration the desirability of obtaining the opinion held by persons conversant with mining business as to the real necessity of advantage of concentrating any chrome ore which is readily marketable in its own crude state. In no other country or administration has any restriction ever been placed as to what ore is to be exported and what ore is to be retained. It is always left to the discretion of the lessees and the laws of supply and demand directly settle such issues. We have demonstrated fully that there is no virtue in passing ore to the concentration plant when it is marketable otherwise. If only it be ever possible to obtain any advantage whatever from such a course, we assure the Government that we shall not be so d indiscreet as to hesitate or refuse to adopt it, but a rigid condition that ore the chrome contents of which fall below 42% Cr_2O_3 should not be exported even though it is marketable would be most unwholesome and unacceptable to us.

To make the ore from our block marketable otherwise involves a far greater use of local labour than does its treatment by machinery and there are ample stocks for such treatment. In all stages of our association with chrome ore, the principle that has been adopted by us is that the process of semi-manufacture employing manual labour is of more direct benefit to the labourers than the introduction of elaborate labour saving devices and we claim that we shall under our present proposals accomplish two ends, viz. more supply ready cash and employment to the labourers and cartmen as well as produce a concentrated product for local consumption or export. Under these circumstances, we beg that the condition in question may be altogether dropped and the export and sale of all marketable ore continued to be at the discretion of the Lessee in accordance with the rules without any special limitation during the entire period of the renewed lease.

8. The stipulation in the fourth condition that we should work the concentration plant <u>continuously</u> during the rest of the period of the lease is one to which we cannot assent in its entirety or at least with necessary modification to suit the varid exigencies which might arise from time to time during the period in question. The novelty of the enterprise, its very uncertain character, the difficulties surrounding it and more than all the most discouraging aspects expressed by your own goodself in respect of the same in Bulletin No.7 of the Department of Mines and Geology, demand that we must proceed cautiously in our under-

takings

undertakings and that Government should afford adequate safeguards, protection and encouragement for private enterprise and capital. The condition in question is obviously most unreasonable and not consistent with commercial mining or industrial prudence. In the first place, the mill may stop one day in the week, i.e. on Sundays, as most other mills do, and even if it is agreed that it should work 6 days a week, it is unreasonable to imagine that no obstacles which we cannot avoid would ever come in the way of running it continuously for eight years. No one who invests large sums of money in putting down the machinery alone would be so indifferent to his own interests as to keep his plant idle for even a second when he can run it at a profit. On the other hand, it would be most unreasonable to expect any sound business concern to go on spending money in times of adverse market when he cannot get any return or when the price obtainable for the product will not pay even the expenses. In such cases reduction or suspension of work would be inevitable and to penalize such reduction or suspension would be nothing but calamitous as well as unparallelled except in the manner prescribed in the rules. We beg to submit therefore that when we enter upon this venture, pay the cost of experimenting, provide the capital necessary therefor and also pay to the Government the maximum royalty extant, it is only fair and reasonable that it should be left to our discretion as to how and when to run the mill. Seeing that our own interests are more directly and more largely involved than those of the Government in running the mill with as little interruption as possible, we

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beg that the Government may be content with the safeguard in their favour which has already been duly provided for in Clause 11 of the lease, according to which the lessee covenants that he

> "will, at all times during the said term of the lease, in the best and most effectual manner and without intermission, except when prevented by inevitable accident, search for and mine and raise all specified minerals on or in the mining block and obtain or prepare therefrom intermediate or finished products of a saleable nature."

The condition now proposed in your letter under reference would have the effect of not only overlapping the provisions of the said clause, but also of giving rise eventually to considerable ambiguity, uncertainty, confusion and trouble in the interpretation and acceptance of the real import of the word "continuously." In our opinion Clause 11 of the lease mentioned above sufficiently covers the intentions of the condition in question. The words "in the best and most effectual manner", appear to be more forcible and more appropriate than the word "continuously."

9. With regard to the next stipulation in condition (4) "that the lessees shall keep such plant, its working and all accounts relating to its operation always open for inspection by the Director of Geology", we beg to invite attention to (1) Cluase 32 of the lease under which the lessee covenants to permit the lessors and their agents throughout the term of the lease to inspect

the mining and metallurgical plant and the mode in which operations are carried on and

(2) Clause 22 under which the lessee covenants to keep and to give the lessors or their agents free access to proper books of account in such form as the lessors may approve. It is not clear what further particulars beyond those mentioned in these clauses the Government desire to be kept open for inspection by the Director of Geology, and we shall be glad to be kindly enlightened on this point. The Director of Geology, who has also been trading in chrome ore for some time past and is a rival competitor with us in the chrome market, can, we trust, quite recognize how irksome to the lessees is the scrutiny of their transactions and trade secrets by the lessor's agent, especially when he happens to be a rival competitor in the same trade. The situation is obviously a most anamolous one, but placing our reliance absolutely on the good faith in which we trust that such inspections will be made by the Director of Geology, we shall always be prepared to afford every reasonable facility to him in that respect. The provisions of Clauses 22 & 32 of the lease mentioned above appear to us, however, to be sufficient to meet the purposes kept in view in proposing the condition in question, and there seems to be no need for any separate provision therefor in the form of the lease.

10. While on the subject of the special conditions proposed for the grant of the renewal, we also beg leave to submit that there yet remains for settlement one more question of outstanding

importance relating to the date from which the period of the renewed lease is to be counted. In your letter No.2281-10 dated 30-11-1928, fourth paragraph, it is stated that the renewed lease would take effect from the 26th April 1929, i.e. the date of the expiry of the period of the original lease No.156. We are extremely perplexed to find that the attitude of Government towards us in respect of this matter is strikingly at variance with the procedure adopted by them in the case of three mining leases for chrome ore granted to another party in the year 1922 over three blocks of land in the Chennarayapatna Taluk. All those leases were granted a number of years after the expiry of the prospecting license under which they were claimed, but the period of the leases was in each case made to count from the date on which they were signed by the Dewan, instead of from the date of expiry of the original prospecting licenses under which they were claimed. The ground upon which that privilege was granted to him was that under Rule 44 the applicant's title would not be complete until the lease had been executed by the Dewan and that the time lost between the date of the expiry of the original prospecting licenses and the date on which the leases were actually signed by the Dewan was a time when the leases had no complete title. We beg to submit that our company is, in all fairness, entitled to a similar treatment both in respect of our original lease No.156 and the renewed lease to be granted to it. Soon after we learnt of the liberal interpretation of Rule 44 made by the Government in the case of the three leases referred to

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above, we applied to the Director of Geology for an extension of the benefit of such interpretation to our original lease No.156 which is also one granted under the same Rules and we were promised a favourable consideration before the termination of the original period. The then Director of Geology explained to us that it was a mistake that our lease was counted to run from the date of the expiry of the prospecting license instead of from the date ~~afxthe~~ on which the lease was executed by the Dewan, that no distinction had been contemplated between our company and the other party referred to, but that only the intentions and spirit of Rule 44, which had been misconceived before, were interpreted aright and the three leases granted in accordance with the principles that were then enunciated. Thus, it will be seen that it is a patent anamoly which needs immediate rectification, that our original lease was in consequence of the mistaken view held by the then Director of Geology, made to run from the date of the termination of the Prospecting License under which it was claimed, viz. 26th April 1919 though it was only on Dewan's signature to the lease, the 22nd June 1921, that our title to the land became complete. The anamoly is further accentuated by the fact that the said lease was granted on the 22nd of June 1921 under the Rules of 12th May 1920 which came into existence over one year after the date from which was to take effect. The mistake in question being a mutual one - both on the part of the Government and ourselves - in having misunderstood and misapplied the

63

provisions of Rule 44, there is indisputably an obligation - both moral and legal - on the part of the Government to rectify the lease so as to count the commencement of its term from the 22nd June 1921, i.e. the date on which it was actually executed by the Dewan. The moral obligation has already a precedent in the fact that three leases have been so granted to another party as stated above. The legal obligation rests upon the provisions of Sec. 31 of the Specific Relief Act which provides for rectification of instruments where it is clearly proved that there has been a mutual mistake of the parties in framing the instrument. It is distinctly inequitable and unfair that our original lease No.156 should be counted to begin over two years earlier than the date of the Dewan's signature and include the time when the lessees did not really enjoy a "perfect title" to the mining block and were, in fact, most seriously handicapped in several ways for want of such title. Equity and justice require that such time should not count as part of the lease period and that all applicants should be treated alike. Under these circumstances, we beg that the Government may be graciously pleased:-

(1) to rectify our original lease No.156 by an alteration of date in Clause 5 thereof so as to count the commencement of its term from the 22nd June 1921, i.e. from the date on which it was actually executed by the Dewan (Under Rule 44) as was ~~conceived~~ conceded in the case of the three leases in the Chennarayapatna Taluk referred to above - granted in 1922, and

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

(2) to grant the renewed lease on the conditions as now agreed to by us with effect from the date of the expiry of the period of the rectified lease, viz. the 22nd June 1931 - the lease being executed by the Dewan on that date.

11. We also beg to submit that notwithstanding the rectification of the original lease, we are prepared to bind ourselves forthwith by the conditions to be finally settled by Government in the light of our representations in the preceding paragraphs Nos. 4 to 9 of this letter and to assure the Government that no efforts will be spared by us to instal the concentration plant and put it into operation within a period of two years from the date of the final order of Government in the matter.

12. In conclusion, we earnestly hope that the foregoing representations will commend themselves to the Government and pray that they may be graciously pleased to accord to us a more equitable and sympathetic treatment in view of the pioneering work of such a highly speculative character as we are called upon to undertake and pass favourable orders in the matter.

We have the honour to be,

S i r,

Your most obedient servants,

P&P. OAKLEY, BOWDEN & CO.

Managing Agents,
MYSORE CHROMITE LTD.

A.G.S. 26.11.29. a/6597/7 GR.

A. P. F. VI. G1)

45

SUBJECT.....

.....

.....

Section Geol

File No. 57-29

Serial No. 8

No. D6264

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *192*

Date of issue 7/1/29

Signed by H C E Newnham

To The Director of Geology

Sir,

With reference to your letter No. 2691-36 of 5.12.29 re. the Mining lease of the Myanaung Chromite Ltd. over the Kunzaunda block. I am directed to request you to be so good as to forward for the perusal of Govt. the old lease which must have been surrendered to the Dept. by the company with their application for its renewal.

I am also to add that

over

List of enclosures.....

Copied by .....

Examined by .....

in view of the position now
taken up by the Company
they may be prohibited from
mining any more ore
from the block (as from the
date of expiring of the old
lease they have no mining
rights over the block till
the lease is renewed, if at all.

Yours etc.

Chas. Levy.

6/12

- the Govt
till they have obtained
a renewed lease
over the block

7.12.29

MR. P. SAMPAT IYENGAR, M.A.,
Director of Geology.

Sent for information. I hope that the Oakley's interview with the Members yesterday will satisfy him as far as he is concerned (1 Member)

MR 12 12 29

MYSORE GEOLOGICAL DEPARTMENT,

D.O. No. Confidential

Bangalore, 11th Dec. 1929

5137

DEVELOPMENT BRANCH

Camp Honnali
Geol 57-29-9

Dear Sir,

I am sending herewith for your perusal the letter no 2283 of 3rd Dec 29 in original of the Mysore Chronicle & you will see therefrom that they are in for giving trouble. In order to understand what for this is a reply I have asked the office to send you a copy of my letter no 2281-33 of 18th ult. referred to & kindly return both the letters when done with

Wd

In all these matters an early decision of Govt. is highly desirable and so I request you to push this through expeditiously.

Yours sincerely

T. Sanjeeva Reddy

N. Ramachandra Rao Esq. B.A.L.
Secretary Dev. Dept.
Bangalore-

GOVERNMENT OF MYSORE

Geol 5 7-29-10

Telegraphic Address:—"GEOL."

MYSORE GEOLOGICAL DEPARTMENT.

No. 2281-40. Encl 2.

Bangalore, 11th December 1929

FROM

P. SAMPAT IYENGAR, ESQ., M.A.,
Director of Geology in Mysore,
Bangalore.

GEN. & REV. SECRETARIAT
5138
13 DEC. 1929
DEVELOPMENT BRANCH.

To

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Development Departments.

SIR,

In compliance with your letter No.D.6264 Geol.57-29-8, dated 7th December 1929, I have the honour to forward herewith the duplicate of the expired lease of the Pensamudra Chromite block and to request the favour of its return when done with. The original lease is in the hands of the lessee Company, as there is no provision in the lease for its surrender to Government on its termination. It remains an invalid document.

2. In pursuance of the orders communicated in the 2nd para of your letter, an embargo on the removal of the

the ore raised after 26th April 1929, the date of termination of lease, has been placed and a copy of the letter issued in the matter is forwarded herewith for the information of Government.

I have the honour to be,
Sir,
Your most obedient servant,

For Director,
Mysore Geological Department.

C.N.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

GOVERNMENT OF MYSORE

Telegraphic Address:—"GEOL."

MYSORE GEOLOGICAL DEPARTMENT.

No. 2281-38

Bangalore, 11th December 1929

FROM

P. SAMPAT IYENGAR, ESQ., M.A.,
Director of Geology in Mysore,
Bangalore.

To

The Mysore Chromite Ltd.,
15, Armenian Street,
Madras.

SIRS,

Referring to the correspondence ending with your letters, dated 23rd November 1929 and 3rd December 1929, in re- the Pensamudra Mining lease, I have the honour to state that in view of the position now taken up by you in the matter of the special conditions prescribed for the renewal of the lease for another term of ten years it is hereby directed that no chromite ore raised from the block after 26th April 1929 should be removed until the renewed lease has issued and this embargo with drawn. This letter

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Duplicate -

(52/1920)

Certified that Stamp duty of Rupees Thirty five and adjudication fee of Rupee one received from the Manager of Mysore Chronicle Company, was credited to Mysore District Treasury on 18th 1921 to No. 72

For Deputy Commr. Mysore D

FORM No. 6. 78 5-21

No. 156

Registered as No 31 7921-22 at Book I Vol 37 folio 309-346

Sd/- Rao Saheb Ramaraya Gunda

9-9-21 Bangalore

Government of His Highness the Maharaja of Mysore.

Department of Geology.

—.o:—

MINING LEASE.

(Under the Rules published with Notification No. G. 25838--Geol. 57-18-20, dated 12th May 1920.

THIS INDENTURE made the 22nd day of June 1921

Parties. BETWEEN *the Government of His Highness the Maharaja of Mysore* (hereinafter called "the lessors," which expression shall be taken to mean and include the Government of His Highness the Maharaja of Mysore, their successors and assigns, except where the context requires another or different meaning) of the one part AND The Mysore Chronicle, Limited, 4 - Lall Bagh Road, Bangalore -

(hereinafter called "the lessee," which expression shall be taken to mean and include the said Mysore Chronicle, Limited

~~his~~ heirs, executors, administrators, representatives and assigns except where the context requires another or different meaning) of the other part:—

2. WHEREAS the lessors at the request of the lessee and in consideration of a deposit of

Deposit and agreement to grant lease. Rs. 1,000 made by the lessee as security for the due fulfilment of the covenants and agreements on the lessee's part hereinafter contained and which deposit shall be forfeited on any failure thereof, have agreed to grant the mining lease hereinafter contained in respect of the piece of land delineated in the map or

Situation of block leased. plan hereto annexed and situate at Lakshmidevarahalli, Kalanjeri and Pendamudra villages

in the Taluk of Arsikere

in the District of Hassan

in the Mysore Territories estimated to comprise Seventy acres and particularly mentioned and described in Schedule A hereto annexed and which piece of land is hereinafter called the "mining block;"

3. NOW THIS INDENTURE WITNESSETH that in consideration of the royalties, rents and

Witnesseth. other payments hereinafter reserved and in consideration of and subject to the covenants and agreement by the lessee hereinafter contained and subject also to any vested interests and any rights and liberties in the minerals, stones or rocks in the mining block which have been granted prior to the date of this Indenture, and to the renewal of such rights and liberties the lessors do hereby *demise* and *grant* unto the lessee *exclusive license* and liberty to search for, mine and raise all such minerals occurring in or upon the mining block as are specifically mentioned and described in Schedule B hereto

annexed (hereinafter collectively referred to as "specified minerals") and to treat the same by metallurgical and other processes and obtain or prepare therefrom valuable products or substances either in a finished, completed and refined state (and then hereinafter referred to as "finished products") or in an intermediate condition (and then hereinafter referred to as "intermediate products,") and to erect such buildings, tramways, ropeways, mining or metallurgical plant and carry on such operations as may be necessary for the purposes aforesaid;

Exclusive mining rights.

4. TOGETHER with liberty for the lessee to remove, sell and dispose of the specified minerals found or raised on or in the mining block or the intermediate or finished products obtained or prepared therefrom; subject to the condition that he shall not, without obtaining the consent of the lessors, in writing, enter into any agreement with any other person or corporation outside the State for the joint control of the price, output or sale of the minerals or products and subject also to the condition that the lessors shall at all times during the term of the lease have the right of pre-emption, at the fair market price for the time being, of the said specified minerals lying within the mining block or elsewhere under the control of the lessees.

Together with liberty for lessee to sell mining produce.

5. TO HAVE AND TO HOLD the premises hereinbefore expressed to be hereby demised and granted unto the lessee, for the term of *Ten* years from the ~~date of these presents~~ *26th of April 1919.*

Habendum to lessee for term of *Ten* years.

6. YIELDING AND PAYING therefor during the said term an annual rent of *Seventy* rupees, being at the rate of one rupee per acre of the mining block, which rent shall be payable for each calendar year or portion thereof on or before the 31st day of March. Provided that for any portion of a year not exceeding six months only half the annual rent shall be payable;

Annual rent on mining block.

7. AND YIELDING AND PAYING on or before the 31st day of March in every year all local cesses and other taxes or rates of every description for the time being payable in respect of the premises or lands within the mining block or of any buildings or works in or on the same;

Local cesses, taxes or rates,

8. AND YIELDING AND PAYING within the times set forth in the covenant by the lessee in this behalf hereinafter contained a royalty at the rates set forth in Schedule C hereto annexed on all minerals removed from the mining block or on all intermediate or finished products obtained or prepared therefrom without any deduction for the cost of the processes employed;

Royalties.

9. AND YIELDING AND PAYING such dead rent not exceeding a rate of rupees five per annum per acre of the whole or of any portion of the mining block as the lessors may, in the event of their being not satisfied with the operations conducted under the lease or with the results thereof, decide to levy for any particular years of the said term after the expiration of the first two years of it, provided that both royalty and dead rent shall not be paid by the lessee but only such one of them as may be of the greater amount;

A dead rent

And it is hereby declared that the expression "the liabilities under this lease" shall hereafter include all the cesses, taxes, rates, royalties, rents, compensation, indemnities and other payments in the lease reserved and made payable by the lessee;

10. AND THE LESSEE HEREBY COVENANTS WITH THE LESSORS THAT THE LESSEE WILL, within the space of one year from the commencement of this lease, start mining operations upon the mining block to the reasonable satisfaction of the lessors;

Covenants by lessee. To start mining operations within one year.

11. AND WILL, at all times during the said term of the lease, in the best and most effectual manner and without intermission, except when prevented by inevitable accident, search for and mine and raise all specified minerals on or in the mining block and obtain or prepare therefrom intermediate or finished products of a saleable nature;

To prosecute operations without intermission.

12. AND WILL, throughout the said term, keep all mines, buildings, pits, shafts, ladders, plats, sollars, timber, ropes, water—courses, air-gates, engines, machines, and other mining and metallurgical plant on or in the mining block in good repair, working order and condition;

To keep all mines, buildings, machinery, etc., in good order.

13. AND WILL, if required and before the sale thereof, deliver to or permit to be taken by the lessors, or their agents, a sample or samples of all minerals found or mined and raised and all intermediate and finished products sold or intended for sale, all such samples so taken when of intrinsic value being paid for by the lessors at the current market rate;

To deliver to, or permit to be taken by lessors samples of minerals and products.

14. AND WILL, immediately after any sale of minerals or intermediate or finished products, give to the lessors or their agents a return of the prices for which the same, respectively, have been sold and, if required, the names of the purchasers thereof.

To make return of prices to lessors.

15. And will not, without obtaining the consent of the lessors, in writing, enter into any arrangement with any other person or corporation outside the State for the joint control of the price, output or sale of the minerals or products.

"To obtain previous consent of lessors for sales outside the State."

16. And will, within the times specified in Schedule C, pay to the lessors the royalties hereinbefore and in Schedule C hereto provided;

To pay royalties within specified times.

17. And will pay all other liabilities under this lease as and when they respectively become payable;

To pay other liabilities under lease.

18. And will afford to the lessors every information concerning the mines and buildings and mining and metallurgical plant in or on the mining block, the mode in which operations are carried on, the minerals found or mined and raised on or in the mining block, the intermediate or finished products obtained or prepared therefrom, the persons employed by the lessee and all other information connected with the mining block or the provisions of this lease as the lessors may require;

To afford every information connected with the mining block of the provisions of this lease.

19. And will furnish, in such manner and to such persons as the lessors may from time to time direct, information as to the discovery of all minerals of value and such samples as the lessors may require of all minerals, stones and rocks met with, on or in the mining block with full details as to the locality and mode in which the same respectively were discovered and the dates of discovery;

To furnish samples of rocks, etc., met with in the mining block, with details as to mode of occurrence, etc.

20. And will not assign or under-let or part with the possession of all or any of the rights, liberties, licenses and premises by these presents demised and granted, or any interest or share therein without the consent, in writing, previously obtained, of the lessors;

Not to assign without previous consent of lessors.

21. And will deliver to the lessors a copy of every assignment or under-lease of all or any of the rights, liberties, licenses and premises by these presents demised and granted or any interest or share therein within three calendar months after the date of the execution of such assignment or under-lease;

To deliver to lessors copies of all assignments.

22. And will, throughout the said term, make and keep in some convenient place on the mining block and so that the lessors or their agents can have, at all times, free access thereto, proper books of accounts in such form as the lessors may approve, giving full and accurate particulars of the working and yield of all mines and mining and metallurgical plant in or on the mining block and the costs thereof and of the disposal of the minerals and intermediate and finished products found, mined, raised, obtained or prepared on, in or from the mining block with all particulars of quantities, dates and other facts and circumstances necessary or proper for ascertaining the exact value of such finished products and the finished products which can be obtained or prepared from such minerals and intermediate products and also correct maps, plans and sections of the mining block and of the mines and mining and metallurgical plant therein or thereon, upon such scale or scales and in such manner as the lessors may from time to time direct showing as well the pits, shafts, drives, cross-cuts, winzes, rises, stopes and other excavations, operations and works which have been carried on, as also all beds and veins and all faults and other disturbances which have been observed and encountered therein;

To keep proper books of accounts, plans, etc.

23. And will, at his own cost, when required by the lessors or their agents, give to them copies of all or any entries in the said books and of every such map, plan and section as aforesaid;

To give copies thereof.

24. And will, at his own cost, when required by lessors or their agents, furnish to them true and correct abstracts of all or any such accounts as aforesaid;

To furnish abstract thereof.

25. And will, at all reasonable times, allow such officers and persons as the lessors may in that behalf appoint to enter into and have free access to the place or places where the said books, maps, plans and sections may be kept in order to examine and inspect them, take copies thereof and make extracts therefrom;

To allow free access to places where such books, plans, etc., may be kept.

26. And will, at the end or sooner determination of the said term, give up to the lessors the said books, maps, plans and sections in good and perfect condition.

To give up to lessors books and plans at end of term.

27. And will, at his own expense, forthwith erect and at all times maintain and keep in repair such boundary marks and pillars as the lessors may require;

To erect boundary marks

28. And will, well and properly secure and keep open with timber or other durable means all pits and shafts to be sunk or made in the mining block except such as may be abandoned or disused in the ordinary and fair course of working and make and maintain sufficient fences round every open pit or shaft;

To secure pits and shafts.

29. AND WILL NOT, until the license, in writing, of the lessors or their agents be obtained, wilfully close, fill up or choke any mine or shaft unless the same has been abandoned and does not exceed 25 feet in depth from surface;

Not to fill up shafts or mines.

30 AND WILL, throughout the said term, duly enforce in every part of the mining block such sanitary rules for the health and well-being of all persons employed by the lessee or who may be on the mining block or in its neighbourhood, as the lessors may, from time to time, prescribe;

To enforce sanitary rules.

31. AND WILL, at any time or times when required by the lessors so to do, set apart and appropriate for free use by the lessors such lands forming part of the surface of the mining block as are in the opinion of the lessors suitable and sufficient for sites for villages, tanks, wells and other works for water-power or water-supply, hospitals, sanitary works, Government offices, police stations and other buildings or works of public utility which are in the opinion of the lessors desirable or required for or in connection with the persons employed by the lessee or in work under or in connection with any contract made by the lessee or who are engaged in supplying the wants of those so employed and the families and dependents of such persons or in connection with the inspection of the mines or the prevention of crime; but the lessors will so far as is compatible with the objects aforesaid select the land to be so set apart and appropriated in such manner as not to interfere with the mining operations of the lessee and will from time to time pay to the lessee such sums of money as will reasonably indemnify the lessee for moneys expended in buying surface rights over any of the lands so set apart and appropriated and the cost of removal of any works carried on thereon;

To set apart land for public purposes.

32. AND WILL permit the lessors and their agents, servants and workmen, throughout the said term, to enter upon any part of the mining block above or below ground and inspect and examine the state and condition thereof and of the mines and buildings and mining and metallurgical plant therein or thereon and the mode in which operations are carried on and will further, with proper persons employed by the lessee, and acquainted with mining and metallurgical operations and with the engines, machinery and apparatus and other mining and metallurgical plant upon or within the mining block, effectually assist in the conduct of every such inspection and examination, affording all information required therefor;

To permit lessors to inspect mines, etc.

33. AND WILL, from time to time, and at all times during the said term hereby granted, conform to and observe all orders and regulations which the lessors, or their agents, duly authorized in this behalf may, from time to time, see fit to issue and prescribe for the proper carrying on of all mining work and other operations within the mining block or for the preservation and security of any railway, reservoir, tank, canal or other public works or buildings or in the interests of the health, well-being and safety of persons employed by the lessee or who may be on the mining block or in its neighbourhood, and also will, without delay, send to such officers as may be named for this purpose by the lessors, a report of any accident which may at any time occur in connection with any mining or metallurgical operations in or on the mining block;

To conform to mining regulations and report accidents.

34. AND WILL, in the exercise of the license and liberties hereby granted, abstain from entering upon the surface of any occupied Government land or of any inam land comprised within the mining block without previously purchasing the rights or obtaining the consent of the occupant, holder or tenant of such land, by an instrument in writing, duly registered, and if any damage or injury be caused to the surface of any such land by any operations carried on under this lease, will duly compensate the occupant holder or tenant thereof, for all such damage or injury;

To abstain from entering occupied land and compensate for injury to surface.

35. AND WILL keep open and in no way obstruct any road, path or by-way of any kind whatsoever now existing or which may hereafter be made on the mining block;

Not to obstruct roads, etc.

36. AND WILL permit the lessors or other persons duly authorized by them in that behalf to enter into and upon the mining block and to conduct prospecting and mining operatives thereon in respect of minerals or other substances other than the said specified minerals and to make upon, over or through the same such roads, tramways and railways as may in the opinion of the lessors be necessary or expedient for any purposes and to obtain from and out of the lands such stone, earth and other materials as may be necessary or requisite for making, repairing or maintaining such roads, tramways and railways and to pass and to re-pass at all times over and along such roads, tramways and railways for all purposes and as occasion shall require and to carry out such works of public utility as may in the opinion of the lessors be necessary or expedient and will when required by the lessors so to do set apart and appropriate for free use by the lessors or other persons authorised by them in that behalf such lands forming part of the surface of the mining block as are in the opinion of the lessors suitable and sufficient for the objects abovementioned; but the lessors will so far as is compatible with the objects aforesaid

To permit lessors to make roads, tramways, railways, etc.

select the land to be so set apart and appropriated in such manner as not to interfere with the mining operations of the lessee, and will from time to time pay to the lessee such sums of money as will reasonably indemnify the lessee for moneys expended in buying surface rights over any of the lands so set apart and appropriated and the cost of any works carried on thereon and for any loss or damage caused to the lessee by any interference with the mining operations;

To allow free use of tanks, water courses, etc., to the public and the lessors.

37. AND WILL abstain from all interference with and allow to the public and the lessors the free use of any tanks, water courses, places of worship, sacred groves, burial grounds or village sites for houses, which may now exist or may hereafter be set apart or appropriated as hereinbefore provided on the mining block;

Not to use the land for other purposes.

38. AND WILL NOT cultivate any of the lands comprised within the mining block without previously obtaining the consent of the lessors and paying the land revenue and other charges on any portion of the block which he desires to cultivate or in any way use the said lands save for the purposes of the rights, licenses and liberties hereby granted;

Not to cut trees, etc.

39. AND WILL NOT, without the express sanction of the Deputy Commissioner for the time being of the district, cut down or injure any trees or timber on unoccupied and unreserved lands other than brushwood or undergrowth which may require to be cleared away as interfering with the due exercise of the rights, licenses and liberties hereby granted;

Not to enter upon or commence operations in State Forests, etc.

40. AND WILL NOT enter upon or commence any mining operations in any State Forest or land under special protection comprised in the mining block, except in accordance with the rules for the conduct of prospecting and mining operations published under Government Notification No. F. 10777—Ft. 81-08-6, dated 21st June 1909, as amended by Notification No. R. 9048—Ft. 43-14-14, dated 22nd March 1916.

Not to interfere with grazing rights.

41. AND WILL NOT, so far as may be consistent with the due exercise of the rights licenses and liberties granted under this lease, interfere with or hinder the enjoyment of grazing rights lawfully granted by the lessors to village communities or to individuals in any part of the mining block;

To indemnify lessors from all claims arising from exercise of liberties hereby granted.

42. AND WILL, from time to time, and at all times hereafter, effectually keep indemnified the lessors from and against all claims, demands and expenses whatsoever by reason or in consequence of any injury to or interference with any lands or property whatsoever occasioned by or arising directly or indirectly in carrying on mining or metallurgical operations on the mining block or otherwise in the exercise of the rights, licenses and liberties hereby granted;

To respect water right and not injure adjoining property.

43. AND WILL NOT, without the express sanction of the Deputy Commissioner for the time being of the district, and then subject to the provisions for compensation and indemnity herein contained, use, collect or impound water in or on the mining block in such a manner as to injure or deteriorate any source of water power or supply or so as to deprive any adjoining land, villages, houses or watering places for cattle of a reasonable quantity of water as heretofore accustomed and will not in any manner foul, impregnate or otherwise deteriorate any springs or streams of water so as to render them unfit to be used as heretofore, and will not in any other way do anything to injure adjoining lands, villages or houses;

To deliver to lessors mines, buildings, etc., on expiration of term.

44. AND WILL, at the expiration or sooner determination of the said term, deliver to the lessors in good order, repair and condition and fit for future working and use, and in all respects in such state and condition as shall be consistent with the due performance and observance of the several covenants and agreements by the lessee herein contained the mining block and all mines and buildings and all pits, shafts, ladders, plats, sollars, timber, ropes, water courses, air-gates, engines, machines, and other mining and metallurgical plant below and above ground which are, in the nature of fixtures, necessary or desirable for the proper working of the said mines and the raising of minerals from the mining block or for the obtaining or preparing of intermediate or finished product from such minerals, except any pits, shafts or other works which shall have been abandoned or disused in the ordinary and fair course of working of the said mines and premises but so that the lessors shall pay to the lessee a fair price for all engines and machinery of any description in or on the mining block, based on the amount the same could be sold for on the mining block if the lessee had power to authorize the purchasers to remove them, unless the lessors shall have given notice in writing to the lessee that they, the lessors, do not intend to

take over any of such buildings, engines and machinery, plant and other things, in which case the lessee shall be at liberty to remove the same, but without injuring any other property in or on the mining block :

To have an agent on the mining block.

45. AND WILL, at all times, have at the mining block a duly accredited superintendent or agent to whom all notices may be given and all communications from the lessors may be made, the lessors being at liberty, should there at any time be no such agent on the mining block, to treat any other person there as such agent and to serve all notices and other documents upon the said agent or in his absence, upon any such other person as aforesaid or in the case of their being no such other person as aforesaid, then by affixing such notices or other documents upon some conspicuous portion of the mining block ;

"To intimate name and address of agent on the block."

46. AND WILL, at all times, keep the lessors duly informed of the name and address of the superintendent or agent aforesaid and of any temporary or permanent alteration of such name or address ;

Distraint for liabilities under lease.

47. PROVIDED ALWAYS that, if and whenever any part of the liabilities under this lease shall be in arrear for the space of sixty days after the expiration of the time prescribed by these presents for payment thereof, the lessors shall be at liberty to seize all minerals and intermediate and finished products in or about the mines or pits opened, worked or carried on by the lessee in the mining block, and any engines, machinery or other property found in the mining block and the lessors may sell or otherwise dispose of and deal with the property thus seized and from the moneys produced thereby may deduct and retain all liabilities under this lease and all expenses incurred in or about any such seizure and sale :

Re-entry on non-payment of liabilities under lease or on breach of covenant.

48. PROVIDED ALSO, and these presents are upon this express condition, that if and whenever any part of the liabilities under this lease shall be in arrear for the space of six calendar months next after any of the days whereon the same ought to be paid as herein provided, whether the same have been legally demanded or not, or if the lessee, or the lessee's workmen shall cause any obstruction or annoyance to the officers of the lessors or to the people of the country, or if the lessee shall cease without the sanction in writing of the lessors to carry on the regular working of the mines for any continuous period of six calendar months or shall refuse to afford information to the lessors, or if there shall be any other breach of any of the covenants and agreements herein contained and on the part of the lessee to be performed and observed, then and in any such case, it shall be lawful for the lessors or their agents duly empowered in that behalf, although they may not have taken advantage of some previous default of a like nature to re-enter upon any part of the mining block or of the mines, buildings or mining or metallurgical plant or other operations or works in or on the mining block in the name of the whole and thereupon the said term of the thirty years shall absolutely determine and the said deposit of Rs. 1,000 hereinbefore referred to shall be retained by the lessors as and for their own property ;

Determining the lease at the option of the lessee at the end of any year.

49. PROVIDED ALSO, and it is hereby agreed and declared, that if the lessee shall be desirous of determining the said term of....*Ten*....years hereby granted at the expiration of any year of the said term and of such desire shall give to the lessors six calendar months' previous notice in writing and shall pay the liabilities under this lease and perform and observe the several covenants and agreements herein contained and on the part of the lessee to be performed and observed up to the expiration of such year, then and in such case upon the expiration of such year the term hereby granted shall absolutely cease and determine ;

Renewal of lease.

50. PROVIDED ALSO and it is hereby agreed and declared, that if the said term of....*Ten*.... years hereby granted shall not, prior to the termination thereof by lapse of time, have been determined under the provisions hereinbefore contained, and if the lessee shall be desirous of obtaining a renewed lease of the licenses, rights and liberties hereby granted for a further term of *Ten* years from the expiration of the term hereby granted and of such desire shall give to the lessors one year's previous notice in writing and shall pay the liabilities under this lease and perform and observe the several covenants and agreements herein contained and on the part of the lessee to be performed and observed up to the expiration of the term hereby granted, then and in such case the lessors will, upon the request and at the expense of the lessee, execute and deliver to the lessee a renewed lease of the said premises for a further term of *Ten* years in such form and subject to such royalty and other payments and such covenants, agreements and conditions, as the lessors may prescribe ;

PLAN OF

PENNASAMUDRA MINING BLOCK.

GRANTED TO

The Mysore Chromite, Limited

FOR MINING PURPOSES IN

Arsikere Taluk, HASSAN Distr

The Block is outlined thus - - - -

Topo Sheet No. 48:

Mining Lease No. 156

Boundary Pillors.			Bearing	Distance
H.5.	to	H.6.	35° 0′ 0″	1750 Links.
H.6.	to	H.7.	125° 0′ 0″	4000 "
H.7.	to	H.8.	215° 0′ 0″	1750 "
H.8.	to	H.5.	305° 0′ 0″	4000 "

(Area 70 Acres)

C.B. Dalley

B. Fayaz Ahmed
Director
Mysore Geol. Dept.

Scale 1 inch = 330 feet.

Note:—The boundaries of Survey numbers are taken from Revenue Survey Village maps.

22nd June 1921

DEWAN OF MYSORE

51. Provided also that should any question or dispute arise regarding the lease or any matter or thing connected with the mines and minerals leased or the working or non-working thereof, or the amount or payment of the royalty or rent reserved or made payable by the lessee, the matter in difference shall be decided by the Government of His Highness the Maharaja of Mysore whose decision thereon shall be final.

Decision of Government to be final in matters of dispute.

IN WITNESS WHEREOF Rajaseva dhurina Sirdar Sir M. Kantaraj Urs, B.A., K.C.S.I., the Dewan of Mysore, acting for and on behalf of the lessors, and by Charles Benjamin Oakley of Oakley Bowden & Co. for and on behalf of the Mysore Chromite Limited the lessee, have hereunto set their respective hands and seals.

Signed, sealed and delivered by the abovenamed in the presence of

Ramganatha Rao Sahib
Private secretary to Dewan
22/6/21.

M. Kantaraj Urs
22nd June 1921

DEWAN OF MYSORE

C.B. Oakley

Signed, sealed and delivered by the abovenamed in the presence of S. D. Duncan

Mining Engineer "Woodlands" Race Course Road Bangalore

B. Jaya Rama
Director
Mysore Geological Dept.

SCHEDULE A.

Boundaries and area of the land comprised within the mining block.

District	Taluk	Village	Survey Nos.
1. Hassan	Arsikere	1 Lakshmidevarhalli	34 part.
		2. Kalangeri	233.
		3. Penlamudra	83 part, 86 part, 87 part and 88 part

SCHEDULE B.

Specified Minerals.

Chrome ore

SCHEDULE C.

Rate of Royalty.	Time of Payment
Five per cent of the Sale value of the ore at the mining block Convertible annually or for a fixed term at the option of Government into an approximately equivalent charge per ton. Subject to a minimum charge of Rupee one per ton.	Quarterly. On all ores despatched during any quarter the Royalty shall be paid within ninety days of the close of the quarter.

B. Foote Rau
Director,
Mysore Geological Dept

22nd June 1921

Dewan of Mysore.

51. Provided also that should any question or dispute arise regarding the lease or any matter or thing connected with the mines and minerals leased or the working or non-working thereof, or the amount or payment of the royalty or rent reserved or made payable by the lessee, the matter in difference shall be decided by the Government of His Highness the Maharaja of Mysore whose decision thereon shall be final.

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Signed, sealed and delivered by the abovenamed in the presence of

Rengaraja Row Sahib
Private secretary to Dewan
22/6/21.

22nd June 1921

DEWAN OF MYSORE

C.B. Oakley

Signed, sealed and delivered by the abovenamed in the presence of S. P. Duncan
Mining Engineer "Woodlands" Race Course Road Bangalore

B. Jayaram
Director
Mysore Geological Dept

SCHEDULE A.

Boundaries and area of the land comprised within the mining block.

District	Taluk	Village	Survey Nos
Hassan	Arsikere	1 Lakshmidevarhalli	34 part.
		2. Kalangeri	233.
		3. Penlamudra	83 part, 86 part, 87 part and 88 part.

(4) to the conditions that the plant should be run continuously. He only stipulated that in case he was unable to fulfil conditions (3) & (4) in spite of all reasonable endeavours on his part, you might grant him some relaxation in the way of an extension of time or permission to keep operations in abeyance if the plant could not be worked except at an assured loss. Mr. Oakley was told to make his representations to you in ~~respect of the terms offered for the renewal of the lease.~~ the matter

The letter received with your D.O. is herewith returned.

Yours sincerely,

CA 18/12/29

18/12/29

ppendix F G—1

SUBJECT.....

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Section Geol

File No. 57-29.

Serial No. 11

D. O. No. D 6769/Geol

Diary No. of letter replied to....5197

General and Revenue Secretariat

( )

the 192

Date of issue....20/12/29

Signed by....K. N. Rama Rao

To P. Vanapat Iyengar Esq., M.A.,
The Director of Geology in Mysore,
Bangalore.

Dear Sir,

In reply to your D.O. letter d. 11.12.29 forwarding in original letter No. 2283 d. 3.12.29 received from the Managing Agents, Mysore Chromite Co., Ltd., I am desired to state that Mr. Oakley after a good deal of discussion agreed to waive his objections (1) to the date from which the renewal of the lease is to run (2) to the percentage fixed for demarcation between high grade & low grade ore (3) to the time within which the concentration plant was to be installed

List of enclosures.....

Copied by.....

Examined by.....

Immediate

To be dealt with by Revenue under.

No Dg. 873

585

DEVELOPMENT BRANCH

52

Mysore Geological Department.

Bangalore, 10th January 1930

Geol 57-29-12

Dear Sir,

4045

Re: Renewal of Pensamudra Mining Lease.

Mr.C.B. Oakley, who represents The Mysore Chromite Ld has agreed to all our stipulations. Only he requests the Government to grant him some more time beyond the two years to instal the Chrome Concentration Plant, since 9 months have already lapsed (after 26th April 1929) without his being able to devote any attention to the concentration question. As can be made out, our embargoes on the removal of ore have prevented him from doing much work on the property during the latter half of the year 1929. So his request appears to me reasonable and I suggest for the consideration of Government the desirability of extending the period of two years by six months i.e. to allow the Company to instal the Chrome Concentration Plant within the space of two years and a half from the commencement of this lease (i.e. from 26th April 1929).

Immediate orders are solicited. The Indenture will be prepared in accordance with instructions received and I shall see that it is executed without any further delay.

Yours sincerely,

M Lamprey

A maybe so
1st Member

10/1/30

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to Government,
Development Departments.

C.N.

I agree
10-1-30

13/1/30

Appendix F G—1

SUBJECT.....

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Section Geol

File No. 5-7-29

Serial No. 13.

No. F 3014

Diary No. of letter replied to 5815

General and Revenue Secretariat

( )

the *192*

To

The Director of Geology in Mysore

Date of issue 17/11/30

Sir,

Signed by

With ref^ce to your D.O. Letter No. G. 873 d. 10.1.30 recommending an extension of time by six months to the Mysore Chromite Ltd for the installation of the Chrome Concentration plant, as 9 months have already elapsed out of the period of two years granted to them from 26th April 1929 for the above purpose, I am directed to convey approval of Govt thereto. as.

List of enclosures.....

Copied by.....

Examined by.....

over

enable the Company to instal the plant within a space of two years and a half from the commencement of the trade i.e., from 26th April 1929.

I have etc.,

16-1-30

& Dir. Secy to Govt.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

57

H311 & 25-1-30

Dear Miller Darby,

With regard to your letter of the 24th inst, I am sorry there has been some mistake on the part of the clerk with regard to the letter of question. It was sent by mail on the 14th inst along with letter to the Office, but it does not appear to have reached its destination: I am making enquiries meanwhile, & am having a duplicate copy sent to the Director of Geology today. I am sorry for the inconvenience caused you

Yours truly

CL

25/1

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc.; not intended for permanent record.]

OAKLEY, DUNCAN & Co., LD.

MANG. DIRECTOR:
C. B. OAKLEY V.D., A.M.I.M.E. & M.I.M. & M.E.,

TELEGRAMS :- "MINERALS"

CODES
A. B C. 5TH EDITION
BENTLEYS PERFECT PHRASE CODE
UNIVERSAL TRADE CODE

MINES :
SUNKADHALLI
HASSAN
SIVAGANGE
CHITTALDROOG
KANKAVALI
RATNAGIRI

OUT STATION : TIPTUR.
HEAD OFFICE & WORKS :-
OAKLIPURAM
ADJOINING
BANGALORE CITY RY. STATION N

Postal Address :—
Bangalore,

58

GEN. & RLY. SECRETARIAT
6265
25 JAN 1930
ESTABLISHMENT BRANCH

24th January, 1930.

Dear Mr. Noronha,

You will recollect that I called on you with regard to the Government's orders on the subject of Arsikere mining lease and its renewal. You may also recollect that you told me that the Government had approved of the Director's recommendations and that these recommendations had left your office on the 17th or Friday week. I went to the Geological Office on Tuesday and found that the reply had not yet reached the office. I sent up today and Mr. Sampat Iyengar advises that they are still without Government's orders. Would you mind once more seeing what is holding up this matter?

With thanks in anticipation, believe,

Yours sincerely,

C. B. Oakley

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

GOVERNMENT OF MYSORE

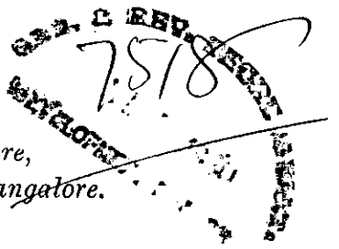
Geol 57-29-14

Telegraphic Address:—"GEOL."

MYSORE GEOLOGICAL DEPARTMENT.

No. 2281-56
Eumore.

Bangalore, 3rd March 1930.



FROM

P. SAMPAT IYENGAR, Esq., M.A.,
Director of Geology in Mysore,
Bangalore.

To

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Development Departments.

Sir,

Adverting to the correspondence ending with your letter No.D.8014 Geol.57-29-13, dated 17th January 1930, re grant of Mining Lease for Chromite to the Mysore Chromite Ltd., over the Pensamudra block, I have the honour to state that in pursuance of the orders of Government in the matter a lease has been drawn up and got duly stamped and executed by the party. It is now requested that the document herewith sent may kindly be signed by the Dewan Saheb of Mysore on behalf of Government and returned to me for issue.

Signature

N.B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

60

Appendix F G—1

SUBJECT.....

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Section Geol

File No. 57-29

Serial No. 15

Diary No. of letter replied to....7518.....

No. D/0323/Geol

General and Revenue Secretariat

( ) .

the *192*

To

The Director of Geology in Mysore.

Date of issue.....28/3/30.....

Sir,

Signed by.....for C.S.N.....

As requested by you in your letter No. 2281-56 d. 3.3.30 I return herewith the lease deed regarding the grant of Mining Lease for Uhranite to the Mysore Uhranite Ltd., over the Pendamedna Mining Block after obtaining the Demarcation in the three places referred to in your letter.

I have etc.,

List of enclosures.....

Copied by.....

Examined by.....

for Dir. Geol.

14/3/30

for Secy to Govt.

over

G.R.S. III—3]

Routine Notes.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

GOVERNMENT OF MYSORE

IMMEDIATE.

Geol 57-29-46

Telegraphic Address:—"GEOL."

MYSORE GEOLOGICAL DEPARTMENT,

No. 2281-58 Geol. Sec.

Bangalore, 20th March 1930.

FROM

P. SAMPAT IYENGAR, ESQ., M.A.,
Director of Geology in Mysore,
Bangalore.

To

N. Rama Rao, Esquire, B.A., B.L.,
Secretary to the Government of His Highness
the Maharaja of Mysore,
Development Departments.

SIR,

I have the honour to re-transmit the lease deed relating to the Pensamudra Mining Block, returned with your letter No.D.10323 Geol.57-29-15, dated 18th March 1930 duly signed by the Dewan, and to invite your kind attention to the fact that the Dewan's signature has not been attested nor the seal of Government affixed. These may kindly be done and the document returned to me early

for

B.—Should routine notes be written on small slips, the notes must be copied, or slips pasted on this form.

Appendix F G—1

SUBJECT.....

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Section Geol

File No. 57/29

Serial No. 17

No. 10875

Diary No. of letter replied to 8111

General and Revenue Secretariat

( )

the 192

To

The Director of Geology in Mysore.

Date of issue 28/3/30

Sir,

Signed by H.V.S. Iyengar

With reference to your letter No. 2281/58 d. 20.3.30 in connection with the lease deed relating to the Pensamudra Mining Block, I am directed to return herewith the lease deed in question duly attested by the Private Secy to the Dewan and with the Dewan's initials and approval to the his signature.

List of enclosures.....

Copied by.....

I have etc.,

Ce 27/3/30

Examined by.....

For Dew. Secy to Govt.

over